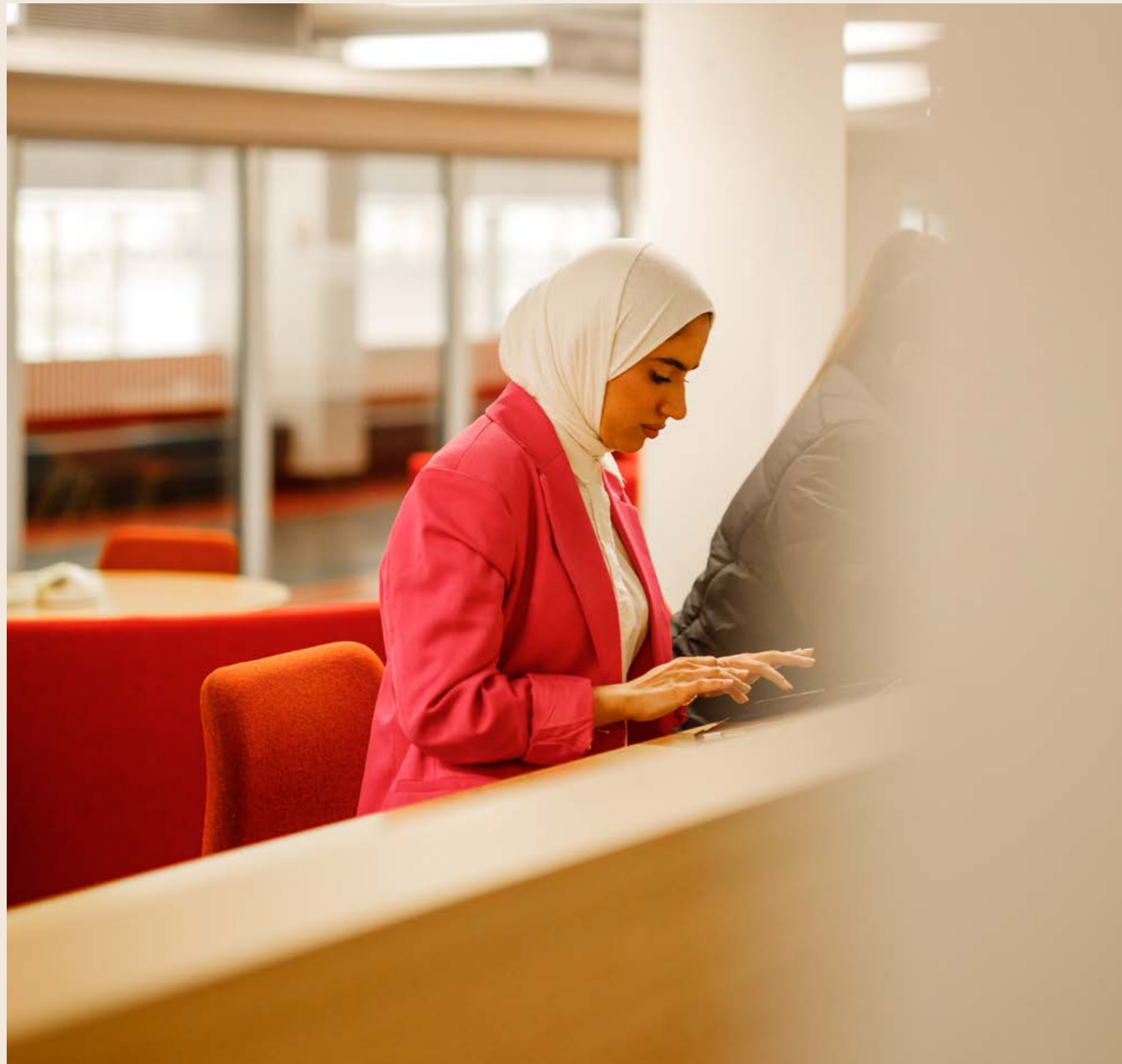


Annual Report and Financial Statements

for year ended 31 July 2023



UNIVERSITY OF LEEDS



Universal values, global change

Defining our role in a changing world

The University of Leeds is a leading global, research-intensive University with a vital role to play in addressing the issues facing the world today.

The international community, especially the Global South, is facing unprecedented challenges from climate change, geopolitical upheaval, poverty and instability.

Together with universities around the world, we're harnessing our research expertise and contributing to solutions which can mitigate some of the worst of these problems.

Today's students are tomorrow's leaders. They will be shaping the future for generations to come. At the University of Leeds, we're committed to ensuring they reach their undoubted potential and benefit from a dynamic educational experience, shaped by technology and collaboration, supported by a real sense of belonging and opportunity, and fully prepared to graduate as outstanding citizens.

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Overview

Foreword from Alastair Da Costa (Chair of Council, University of Leeds)



Universities have not been immune from the economic and geopolitical headwinds which have buffeted the UK in the last 12 months. The cost-of-living crisis, fuelled by inflation, has presented real challenges for many across the country, including our staff and students. Industrial action – to which I will return – has affected University campuses up and down the country, and members of our community are still dealing with the long tail of COVID-19.

But I am proud of the way that the University of Leeds has responded. Guided by our 10-year strategy, ‘Universal Values, Global Change’, we have maintained our course and steady momentum towards our ambitious goals.

Guided by our values – collaboration, compassion, inclusivity and integrity – we have responded to these challenges by putting in place cost-of-living support for students, staff and postgraduate researchers. This has included absorbing £40m of costs, such as increased energy bills, halving proposed rent increases in student residences and subsidising hot meals on campus. We have increased our Financial Assistance Fund for students and postgraduate researchers five-fold to £1.9m. We have made two cost-of-living payments for lower-paid staff and agreed a pay rise of between 5% and 8% for all colleagues.

We have been able to take these proactive steps as a result of careful financial planning and prioritisation. This approach means that we’ve been able to deliver an operating surplus of £73m this year. This enables us to continue delivering on the commitments and necessary investments of our strategy.

Careful financial planning is made all the more important by the external funding landscape. Put simply, funding from tuition fees and government grants is failing to meet the real cost of higher-quality education and research throughout the sector. Our University is on a sound financial footing, but HE funding is an issue that government needs to address as a matter of urgency.

The periods of industrial action on campus should be seen in the context of the widespread industrial unrest across the UK’s public and private sectors over the past 15 months. We respect the

right of staff to take action, while maintaining our commitment to minimise its impact on our students. It has been challenging, but I am confident that we have retained the cohesion of our community and protected the standard of Leeds degrees and qualifications.

Our Employee Engagement Survey reflects a wide range of views of the experience of working at the University, and highlights areas for improvement. It is pleasing that a record number of staff responded, and we are reviewing and discussing the results with colleagues and teams across campus.

We are pleased to see progress of the University in the QS World University Rankings, where we have improved our position by 11 places to 75th. The outcome of this year’s National Student Survey, however, was disappointing in several respects. It’s clear where we need to improve the educational experience and build stronger relationships with students.

The Leeds Partnership, between the University and Leeds University Union (LUU), is key to increasing meaningful engagement in the student experience. Curriculum Redefined addresses the need for change and investment in student experience, and our Research Culture Strategy and Research Transformed programme commit us to developing a more inclusive, supportive and collaborative research culture.

Our KPI progress summary (page 14) shows that we’re making progress towards the delivery of our strategy, as well as indicating the commitments we have made. There are many challenges ahead, but I’m thankful for the dedication and determination of our community of academics, professional services staff and students, together with our partners, friends and alumni, which means we can look forward to maintaining and improving our reputation for excellence over the coming years.

Finally, I would like to thank our Vice-Chancellor and President, Professor Simone Buitendijk, who leaves us at the end of 2023. Simone tirelessly steered the formation and introduction of Universal Values, Global Change, and leaves the University well-placed for the next phase of its journey. Professor Hai-Sui Yu, Provost and Deputy Vice-Chancellor, will act as interim Vice-Chancellor and President until a global recruitment process is concluded. Hai-Sui will ensure that there is a seamless transition and that we maintain our strategic focus.

Questions and answers

with Professor
Simone Buitendijk
(Vice-Chancellor and President,
University of Leeds)



What are your reflections on the 2022–23 academic year?

Overall, I feel a huge sense of pride that we, as an institution, are continuing to make a positive difference – to the lives of our students, the wellbeing of our staff, the prosperity of our region and, through our research activities, to some of the biggest issues facing people and the planet we all inhabit. This year has seen some exciting initiatives, events and collaborations: the launch of the Knowledge Equity Network (KEN), our online training partnership with the Global Health Education Group, the expansion of our biomedical research, the opening of HELIX and our hosting of the Digital Universities UK conference, to name a few. All reinforce our position as a world-leading university for education and research and highlight the contribution we can and are making to society, and the economy.

Community is a key element of our strategy. What are we doing to engage with our staff and students?

The last few years have been challenging for our students and staff. Recovery from the pandemic and a cost-of-living crisis have all disrupted the normal flow of events and activities at Leeds. In addition, industrial action has been disruptive for everyone and reinforces the need for us all to come together to resolve these issues for the benefit of our students and colleagues.

It's important that we understand what drives and inspires people at our University – to know the things that people like about us so we can build on our successes and make improvements. So our Employee Engagement Survey and the NSS are both important in helping us find out how people are feeling, alongside the conversations and interactions we have every day.

I'm delighted that so many colleagues responded to our latest Employee Engagement Survey. A higher number of staff than ever completed it – more than half of our employee community, from right across the organisation – and over 30,000 comments were submitted. It's clear there's a lot we have got right; equally, there are some areas we need to work on. Some of the comments go to the very essence of our culture and we're digesting and analysing the concerns people have before discussing further with colleagues on how we can improve things.

Likewise, with students, Leeds performed well in many individual subject areas in the National Student Survey (NSS), meeting or exceeding sector benchmarks, but at an institutional level we fell short. We have a bold vision to transform student education, to ensure our students develop the knowledge and skills they need to succeed and make a positive impact in the world. This year's NSS results no doubt reflect the disruptions of COVID-19 and industrial action, but to me they also demonstrate the need to continue this transformation of our learning and teaching through Curriculum Redefined to create long-lasting benefits for our students and staff.

We've made a great start with Curriculum Redefined, hiring new people and beginning to change the narrative around what, why and how we learn. The programme is key to developing and improving the student experience here at Leeds and embedding a real sense of belonging in our community.

A better student experience is the driving force behind The Leeds Partnership, our collaboration with Leeds University Union. It's vital that we work closely with students and listen and respond to their voice when planning for the future – their future.

The publication of our first gender, ethnicity and disability pay gap report is a step in the right direction to increasing transparency in equity, diversity and inclusion. EDI, once considered by some as just a box we must tick for compliance, is core to our values

as a university and fundamental to achieving better outcomes, improving wellbeing and enhancing our research culture and student education activities. Our new EDI Strategy guides how we operate as an organisation, reflects our global external ambitions and informs both our research into bias and discrimination and our teaching plans. Most importantly, it demonstrates that we are all involved in making our University the best it can possibly be.

We hear a lot about the importance of collaboration. Why does it matter?

I've often said that we need to collaborate as if our lives depended on it. That's because we do! When you look at crises like climate change and global poverty, it's obvious that the world depends on collaboration for the solution.

The Knowledge Equity Network (KEN) is probably the most radical of our commitments to working with others, facilitating open access to information and making knowledge created in each institution freely available to others around the world. I was delighted to formally launch the network alongside our founding partner, the University of Pretoria, in South Africa in May and heartened by the number of institutions and individuals who have already signed the Declaration.

It's important that we understand what drives and inspires people at our University

As I mentioned above, we don't have all the answers. The partnerships and working relationships we have with other universities around the world, with commercial organisations and civic bodies in our region and with our staff and students amplify the value of everything we do. For a research-intensive university like Leeds, collaboration expands our reach and the impact of our discoveries. Interdisciplinary working within the University and

through cross-sector partnerships will help us solve intractable problems that benefit from a more holistic approach.

As you look ahead to the coming year, how is the University preparing for the inevitable challenges ahead?

By continuing to progress the strategies and initiatives that are already in place, improving the student experience, and working with inspiring, exciting and progressive partners around the world on solving humanity's greatest challenges.

One partnership that particularly inspires me is the Global Health Education Group online training platform for medical students, which is a neat solution to two problems in one – lack of student placement opportunities and a shortfall in global health professionals. As this initiative progresses, medical trainees will develop their practical skills and knowledge through direct working with senior healthcare professionals around the world.

Our Campus Reimagined programme is working towards a climate-friendly, future-ready work and study environment, and I'm really keen to see how HELIX, our digital learning accelerator, and our Library Makerspace facilities will help transform the student experience.

Together we have achieved so much over the past three years. With the conditions for the University's future success now in place, I feel the time is right for me to start the next chapter of my career in leadership in UK and international higher education, and so in October I announced my intention to step down as Vice-Chancellor and President, concluding my appointment on 31 December 2023.

I have truly enjoyed leading the community at Leeds and believe that our collective work to develop our strategy, Universal Values, Global Change, has set the University on an ambitious course as a world-leading institution, with a unique emphasis on collaboration rather than competition to create a better world for all.

I know the University will be in excellent hands under the Provost and Deputy Vice-Chancellor's interim leadership and I wish the next Vice-Chancellor every success in taking the University on the next steps of its journey to help shape a better future for all.



Highlights of the year

The University has climbed 11 places in the **2024 QS World University Rankings** to 75th in the world.

The respected rankings consider research and discovery, employability and outcomes, learning experience, global engagement and sustainability in their methodology.

The ranking of 75th is the University's highest ever position in the QS rankings' 20-year history. A key strength identified was the International Research Network, for which indicator the University was ranked 16th in the world.

A report into the **economic impact of the University of Leeds** has evaluated its contribution to the economic health of the region and its population as well as to the UK as a whole. The study included detailed modelling of the overall economic impact of the University, including the impact of its students, and concluded that it contributes more than £1.93bn to the Leeds City Region, £2.31bn to Yorkshire and the Humber and £2.69bn to the UK economy.

The NIHR Leeds **Biomedical Research Centre (BRC)**, an international centre of excellence that addresses the urgent challenges of an ageing population, benefited from a tripling of its funding from the National Institute for Health and Care Research (NIHR) to £19.8m. This will allow BRC to further its work providing targeted, cost-effective therapies that improve the lives of those living with musculoskeletal disease, and to expand its research on heart disease, cancer and infection. The Centre formalises our academic partnership with the University of York, enhances the University's joint work with the life sciences industry and further supports the development of an innovation district with partner organisations across the city.

Medics and researchers at Leeds received UK Research and Innovation (UKRI) funding to work with medics in Ukraine to improve care for civilians in the war with Russia. The project is part of a **twinning scheme** led by Universities UK International, which has partnered more than 100 UK institutions with a counterpart in Ukraine. Leeds is working with Bukovinian State Medical University to explore ways to optimise care pathways for patients with lower limb trauma, specifically focusing on major lower limb amputations.

The aim of the scheme, which has just marked its first anniversary, is to enable Ukrainian campuses to stay open, academics to continue vital teaching and research activities and students to continue their studies.

A new partnership between the University of Leeds and edtech specialist **Global Health Education Group (GHEG)** will help solve the global shortage of 10 million healthcare workers by innovating

health education. The University and GHEG are developing an online learning platform which allows larger groups of healthcare and medical students to participate in clinical placements at the same time – whatever the distance between patient and clinician, on the one hand, and the students on the other.

June 2023 saw the opening of **HELIX**, a brand-new innovative technologies hub and digital learning space for students, staff, the wider University and the local community.

HELIX is a multi-use space providing a home for all digitally focused activity at the University – a dedicated space for students to collaborate on creative, innovative and entrepreneurial projects based on their own initiatives and creative ideas.

The culmination of years of planning around digital investment for students, HELIX is not only a hub for learning, but also offers a mix of multipurpose spaces for events and conferences, team building, networking activity and public engagement, featuring immersive technologies, maker and prototyping equipment, and fully equipped multimedia production studios.

In April, the University hosted the Times Higher Education's **Digital Universities UK 2023** conference, held outside London for the first time, which welcomed more than 700 delegates to explore the challenges and opportunities of digital-first higher education. The event brought together higher education, industry and policy leaders working at the intersection of academic innovation and technology, and included cutting-edge start-ups and ideas that will help reshape the future of education and research.

The inaugural international summit of the **Knowledge Equity Network (KEN)** was held in November 2022. The Network, founded by the University of Leeds, sees research and education experts forging a new alliance among higher education institutions, with academic institutions and leaders across the globe joining forces to solve some of the most urgent challenges facing the planet today.

Signatories to KEN support the Declaration on Knowledge Equity – a commitment to actively contribute to achieving equitable access to knowledge. Regional launch events were held in Africa, Central America and Europe, and KEN is expanding and gathering signatories from across the globe. Current signatories include 35 higher education institutions and organisations and 210 individuals from 55 countries.

Northern Gritstone, a research commercialisation business jointly founded by the University, celebrated successes at its second AGM, held at Nexus in July. Established by the universities of Leeds, Manchester and Sheffield to support the commercialisation of science businesses based in the North of England, Northern Gritstone's AGM attracted Minister for Science, Research and Innovation, George Freeman MP, and Shadow Chancellor, Rachel Reeves MP. At the end of the year Northern Gritstone had secured total funding of £306m (as this report went to print, it announced a final close of £312m – anchored by investments from local authority pension funds across the region).

Key highlight



Climate Plan

The climate crisis is the most significant challenge the world faces. Our Climate Plan sets out the changes we will make up to 2030, while contributing to a healthier, greener and fairer place to live, work and study.

Approved by the University's Council in November 2021, our Climate Plan represents the single biggest investment we have ever made: £174m over the next decade, more than £150m of which will be put towards achieving our goal of net zero Scope 1, 2 and key Scope 3 emissions by 2030.

The Plan is a collaborative effort across the University community, involving our academic staff, professional services and students.

It maps out how we will deliver our key commitments, according to the seven key principles:

- Delivering net zero by 2030
- Supporting a net zero city
- Achieving sustainable travel
- Shaping institutional decision-making
- Enabling responsible investment
- Reorienting research and teaching
- Providing a sustainable curriculum

One initiative is the creation of a new woodland with over 60,000 trees. Gair Wood, named after recently retired University Secretary Roger Gair, is a collaboration between the University, the United Bank of Carbon and the White Rose Forest. It will contribute to the target set by the White Rose Forest partnership to see seven

million more trees planted in West and North Yorkshire by 2025. DEFRA and the Forestry Commission also provided funding for the project.

Since December 2022, 324 people – 186 members of the community, 102 staff members and 36 students – have planted over 5,000 of these trees at volunteer sessions. The site will act as a living lab for staff and students and be available for research and teaching at the University. As the woodland grows, the trees will remove carbon from the atmosphere and contribute to the University's target of delivering net zero emissions by 2030.

Other initiatives already under way include:

- Investing £2.8m to fast-track research into delivering geothermal energy to the University, the Leeds region, and beyond
- Installing LED lighting in all University residences
- Doubling the number of electric vehicle charging points in the multistorey car park

The ambitious road laid out by our Climate Plan will be a challenging one. We have put systems in place that will regularly review our progress, to assess whether we need to correct or alter our course, and to identify opportunities to push our ambition further. The first annual review of the Climate Plan noted progress, including the introduction of new governance structures with executive responsibilities, detailed feasibility studies and surveys on the refurbishment and improvement of our estate to reduce energy demand, expansion of our electric vehicle fleet, and developing resources for our Curriculum Redefined project to inform embedding sustainability in the curriculum.

Our Climate Plan will enable us to build a stronger community, share best practice, and hold ourselves to the values we expect of others.



Making an impact

Our strategy and values

Defining our purpose

The University of Leeds is a values-led university which plays a leading role in tackling inequalities, benefiting society and driving change.

As a research-intensive university, working with our local community and partners – and as part of a powerful group of networked institutions – we are perfectly placed to help tackle local and global inequalities.

Our impact in and on the world and its problems comes from our three key activities: research and innovation, student education and knowledge exchange. To positively shape our world, we:

- place ourselves at the heart of a global community
- support flagship centres and institutes that work across disciplinary, institutional and geographical boundaries
- undertake research that helps to solve pressing global issues
- produce graduates who are dedicated to creating a better society for all

Key elements of our strategy

Our 2020-2030 strategy, Universal Values, Global Change, consists of four core academic elements – research and innovation, student education, digital transformation and international – and is supported by an enabling strategy. It is underpinned by three overarching elements:

- **Community:** we reflect the diversity of our region and the communities we serve, providing equal opportunities for all.
- **Culture:** we work together to make our community successful, building strong and supportive networks with other academic institutions, including those in the Global South. We believe in the value of collaboration over competition.

- **Impact:** we can achieve greater impact by focusing on areas in which we can play a leading global role. Locally, we maximise our impact by linking with business and the civic community.

Our values

- **Collaboration:** we work together to achieve our goals and ambitions.
- **Compassion:** we are caring and considerate in our words and action.
- **Inclusivity:** we are a community where everyone is welcome and belongs.
- **Integrity:** we are open and honest in our words and actions.

Sustainable development

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

Priority SDGs – where we can have the greatest impact

- 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

United Nations Sustainable Development Goals

	GOAL 1: No Poverty		GOAL 5: Gender Equality		GOAL 9: Industry, Innovation and Infrastructure		GOAL 13: Climate Action
	GOAL 2: Zero Hunger		GOAL 6: Clean Water and Sanitation		GOAL 10: Reduced Inequalities		GOAL 14: Life Below Water
	GOAL 3: Good Health and Well-being		GOAL 7: Affordable and Clean Energy		GOAL 11: Sustainable Cities and Communities		GOAL 15: Life on Land
	GOAL 4: Quality Education		GOAL 8: Decent Work and Economic Growth		GOAL 12: Responsible Consumption and Production		GOAL 16: Peace, Justice and Strong Institutions
					GOAL 17: Partnerships for the Goals		

How we create value

Who we are, what we do and why

We live and breathe our values at the University of Leeds – they underpin our 10-year strategy and help us build a fairer future for all.

Our stakeholders

Our stakeholders are critical in creating and preserving value – and in minimising its erosion; we work with and for them. We strive to provide equality of opportunity, supporting partnership and reflecting diversity.

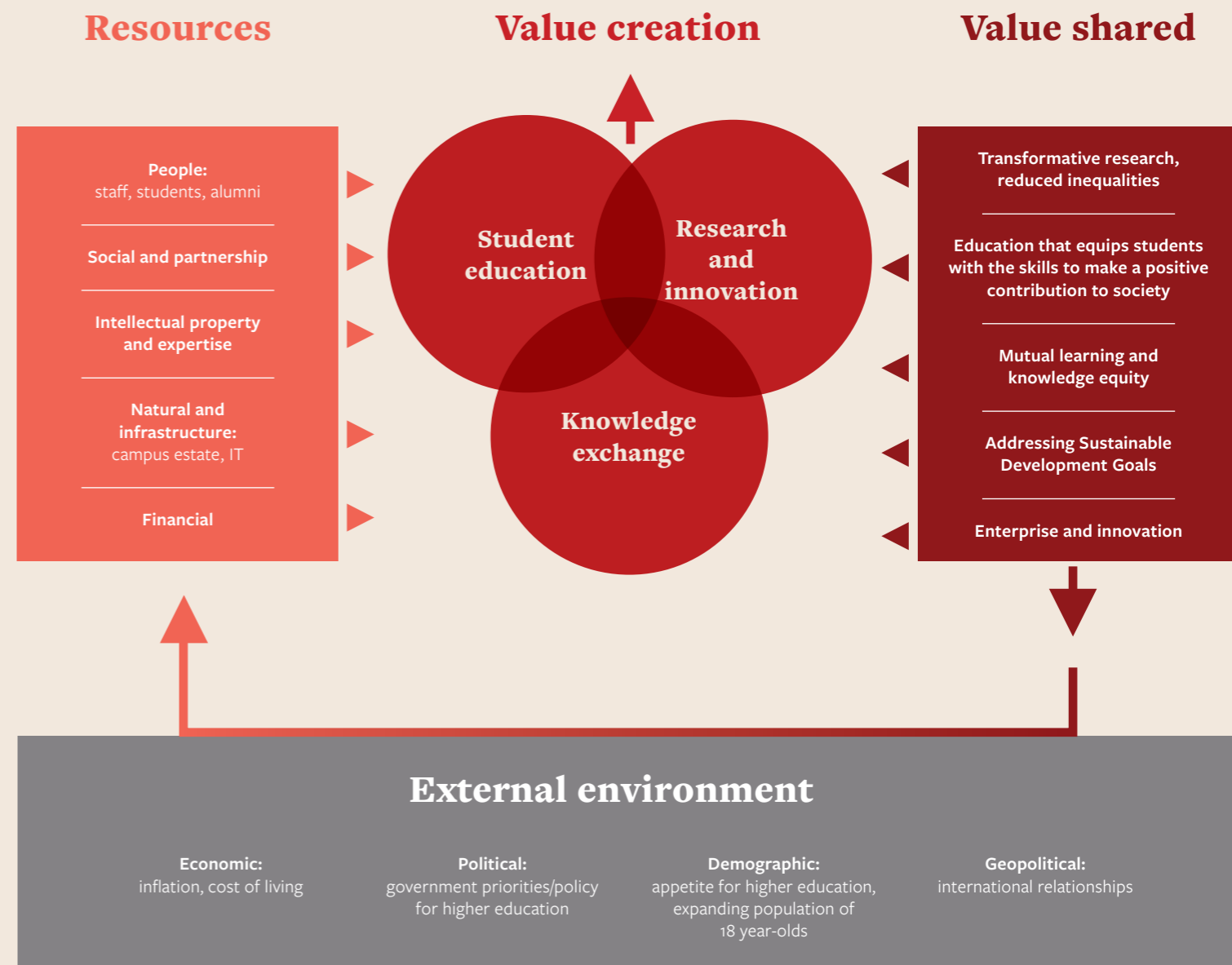
Students	As partners in their education, students are engaged in active, authentic and inclusive learning of all kinds. We support them in their journey to develop the knowledge and skills they need to make a positive impact in the world.
Colleagues	We would not be the University of Leeds without the commitment of our staff community. They are vital in delivering our strategy and, in turn, we are committed to supporting them in their career journeys.
Alumni	We support a global network of alumni comprising more than 320,000 Leeds graduates from almost 200 countries. We aim to have a lifelong relationship with our alumni, supporting their careers, connecting them with fellow alumni and encouraging their ongoing contribution to the University community.
Partners/collaborators	We partner and collaborate with local, national and international organisations in education, industry and government. We firmly believe that we can deliver the greatest value through collaboration rather than competition.
Local community	We recognise that what we do has a positive and sustainable impact on our local community, and we aim to deliver benefits through our education, research and outreach. By building engagement, we can deliver a positive impact locally.
Government, regulators, funders and investors	We work with government, regulators, funders and investors to ensure we are delivering value within our regulatory frameworks. For example, the University offers scholarships for students studying data science-related Masters courses to help increase diversity and improve skills gaps in the digital workforce. This is part of an Office for Students (OFS) initiative to increase diversity and address skills gaps in the AI and data science workforce.

Our value creation model

Creating value is a process of converting resources into outputs that will achieve desired outcomes. It's how we do what we do, and how successful we are at focusing value creation where it's needed most, that determines whether we can live up to our values and fulfil our social, environmental and economic responsibilities. We also work to preserve value where it already exists and mitigate its erosion.

At Leeds, we create value by harnessing all the resources that power our activities – financial, human, intellectual, social and natural – and using them to deliver value for our students, staff, partners, community and the local, national and international economy and environment. This forms our contribution to the UN Sustainable Development Goals (SDGs), particularly 3, 4, 10, 11, 13 and 17.

Our value creation model is shaped by our strategy. It reflects how our resources will deliver for our University communities and the value that we share through our key activities: research and innovation, student education and knowledge exchange. Progress is assessed against our key performance indicators (KPIs).



Key performance indicators

Our KPI framework was finalised in 2022-23 and helps us understand how we deliver value through our strategy.

The nine outcomes below are measured through 30 component measures which include baselines, benchmarks and targets – the final ten components were agreed by Council in July, complementing those agreed a year earlier. The additional measures were designed specifically to indicate progress with delivery of elements of the new strategy for which measures had not previously been available – or where further data needed to be collected and relate to KPIs 1, 3, 6 and 9.

This approach provides a framework for assessing progress with implementing our strategy, identifying performance gaps and actions.

Performance reporting against the full KPI framework was presented to Strategy & Investment Committee and Council in July 2023. The evidence-based assessment reported that the majority of the 30 measures were 'on track'. We do not expect progress on our KPIs to be linear, this means that some component measures will take longer to get their target as the strategy is delivered.

KPI 1: Making a positive difference in the world

Our measures demonstrate considerable alignment of University activity with the UN Sustainable Development Goals (SDGs). There is dedicated focus on generating SDG-related research grant and fundraising income and we continue to do world-leading global challenge research resulting in greater impact. The most recent Economic Impact report (highlight on p8) shows a considerable growth in economic impact since 2015. Further work will help us understand the drivers of this impact and increase our economic impact as well as understanding the wider social impact reflected across our KPIs.

KPI 2: Sustaining a strong academic reputation

Third-party surveys show that our academic reputation has been improving in recent years. We share case studies from global challenge research with external agencies and government departments and the University of Leeds International Strategy Fund is supporting the formation of new strategic partnerships.

KPI 3: Developing, supporting and retaining a diverse and inclusive staff community

We have undertaken extensive analysis of the results from the staff engagement survey and are developing detailed action plans. Significant progress is now being made via the Equity, Diversity and Inclusion Strategy, led by the Director of EDI and the Dean for EDI. Major workstreams include a focus on improving the quality of data, which will enable us to understand relationships between recruitment and progression, and reduce staff turnover.

KPI 4: Securing successful outcomes for students

Local action plans, Curriculum Redefined and the implementation of the Student Opportunities and Futures Strategy will be major factors in delivering improved performance of the graduate outcomes aspect of this measure. There has been progress against Access and Student Success Strategy milestones for degree awarding and attainment gaps, and undergraduate continuation and completion rates, although these remain challenging. The University was among of the first wave of institutions refreshing their Access and Participation Plan (APP) for submission to the Office for Students, participating in a pilot of the new process.

KPI 5: Delivering impactful research and innovation

There was good progress on a measure for field-weighted citation impact and we are taking proactive steps to enhance our research quality, reflecting our delivery of high quality research. A Director of Strategy for Research Impact has been appointed to lead further work to maximise the impact of this research. We will continue to extend our civic engagement and knowledge exchange activity. The newly-appointed Dean of Cultural Engagement is developing new cultural engagement strategies, showcasing the impact of arts and culture. Work is also being carried out to make progress on a measure of postgraduate researchers per academic full-time equivalent (FTE).

KPI 6: Providing a healthy, safe and inclusive environment and enriching experience for staff and students

Challenges in performance relating to student experience are recognised. In addition to the significant changes under the Curriculum Redefined programme and the Access and Student Success Strategy, schools are also developing action plans to improve the student experience. 56% of staff responded to the recent staff engagement survey, providing a rich data set to understand perceptions of working at the University. A network of champions across the institution are developing action plans to ensure that the insights from the survey are acted upon, including the specific questions included in this measure. There is an ongoing commitment to maintain a positive research culture.

KPI 7: Delivering environmental sustainability

Our sector-leading Climate Plan, with an unprecedented investment of £174m, is being implemented under the supervision of the Climate Principles Programme Board, with some progress being made in the first year of its delivery. Increased engagement and communication with the University community on this progress has taken place in the first half of 2023 (see page 20).

KPI 8: Sustaining an adaptive, effective and financially stable university

Faculty Executive Deans are working to ensure financial benefits targets from major programmes are built into bottom-up plans. Further work is underway to address performance against measures relating to support staff full-time equivalents (FTE) as a proportion of all staff, research income per academic FTE, and research and teaching cost recovery.

KPI 9: Ensuring a sustainable and balanced student cohort mix

Our successful International Strategy has continued to make progress in helping achieve a balanced UK/international student ratio. Recruitment of Low Participation Neighbourhood entrants is embedded as a core consideration through the student recruitment cycle. Achieving this target requires a degree of balance against other measures of sustainability and student success. Targets for the diversity of the postgraduate researcher population are incorporated into the Access and Student Success Strategy, which includes actions to address underrepresentation. Progress on this measure, which is on track, is overseen by the Dean of the doctoral college.

Our approach to reporting

We are using the International Integrated Reporting Framework to produce this year's report.

The framework was issued in January 2021 by the International Integrated Reporting Council (IIRC), now consolidated into the IFRS Foundation. It is an approach that brings together our activity in a way that clearly and engagingly demonstrates how we create, preserve and erode value, and how our strategy, governance, performance and understanding of risks create value for our stakeholders in the short and long term.

We expect the content and approach to evolve as we continue to develop our ability to think and report in an integrated fashion. For this second year, we have included an assessment of our key stakeholder relationships, reported on our KPIs, and increased the strategic focus of this report. We aim to consider how our strategy relates to the creation, preservation and erosion of value in the short, medium and long term, including risks to delivery.

We will continue to work throughout the coming years on our approach to reporting to further align with the <IR> Framework as it evolves.





Operational review: a transformative University



People, culture and place

The University of Leeds has a strong sense of community. We work hard to develop a supportive and collaborative culture where everyone shares common aims, values and behaviour regardless of hierarchies or where they fit into the organisation.

- using digital technology and data-enabled insights to improve how we deliver world-changing research and education in collaboration with others

Through working together, harnessing our strengths and measuring our progress, our University community is well placed to deliver our strategic ambitions. Our Enabling Strategy underpins this effort, providing the foundations for all of us.

Employee Engagement Survey

Record numbers of staff – over 50% – responded to our latest Employee Engagement Survey, and provided more than 30,000 comments on their experiences at the University. While 82% of colleagues felt their immediate manager cared about their wellbeing and 80% felt they had the autonomy to do their jobs effectively, some results revealed areas where we could improve. Fewer people felt motivated by the University’s strategy or that their voice counted, for example.

The University Council has discussed the results, and every faculty, service and school has spent time over the summer and autumn reflecting on what they mean and begun developing plans to address them.

Our **Enabling Strategy** guides us towards achieving this, and aims to align our organisation, community, campus and societal role with our academic ambitions.

Key elements include:

- developing and rewarding our staff, while improving employment terms
- refreshing how we are organised and work together to overcome barriers to collaboration and to enhance our agility, efficiency, effectiveness and impact
- realising our place in, and positive impact on, society – locally, nationally and globally – including through addressing climate change



Developing and rewarding staff

Our staff **are** our University – without them, we couldn't operate. Drawn from over 100 different countries, around 35% of our staff are from overseas. Our commitments ensure we place their development and wellbeing at the heart of everything we do. These include promises to:

- reduce short-term contracts and boost job security
- support a healthy and fulfilled staff community
- create opportunity and celebrate achievements

We undertook extensive feedback from key stakeholder groups, including colleagues, managers, staff who could be affected by any proposed changes, and recognised campus trade unions. Much of the feedback specifically related to the complexities associated with research and other grant-funded staff.

We've made significant progress on reducing fixed-term contracts and increasing security of employment. Since July 2022, we have almost halved the number of staff employed on fixed-term arrangements. Going forward, our approach will be to transfer colleagues to an ongoing contract when they receive a further substantive contract after they have reached two years' service.

The nature of some of our activity and funding practices across the sector mean we will continue to have roles that are time-limited or have finite funding. In these cases, our commitment is to the individual, identifying follow-on opportunities for them to use their skills.

Our commitment to improving security of employment has been a complex one to deliver, but one that is sustainable, fair and equitable going forward. We are now developing clear career pathways that will support staff to meet their career aspirations while delivering the University's ambitious strategy.

We have embedded a people-centred approach to change and invested in support to both managers and staff to ensure change is delivered effectively.

Industrial action

In common with many higher and further education institutions, the University's activities were affected during 2022–23 by industrial action. The University's approach to managing the impact of industrial action is guided by three principles:

- protect the interests of students
- retain the cohesion of our community
- protect the standard of Leeds degrees and other qualifications

The University respects the right of all staff to take action, and we know that the decision to take industrial action is one not made lightly. Our University community is united in its dedication, passion and care for our students and colleagues. However, we also know that industrial action is likely to have a sustained and significant impact on our entire community, disrupting the experience of our students and creating additional workload for academic and professional services colleagues.

During the year we made progress in several areas. In addition to moving staff from fixed-term to ongoing contracts, we implemented the nationally negotiated pay award earlier than planned, and provided a package of support for those who need

[...]we are working on an identity change project to support staff and students who are changing their gender identity.

help most with the cost of living. Work continues to ensure that the University's workload principles – 10 principles that ensure fairness, transparency and open communication around the allocation of work – are implemented consistently for all academic and academic-related staff.

We recognise that the cost-of-living crisis has challenged our University community and we awarded extra payments to almost 4,000 staff on lower pay grades, totalling £2.7m.

Equity, diversity and inclusion (EDI)

The University is committed to increasing gender equality, and we have been recognised for this with a silver Athena SWAN award in our Faculty of Engineering and Physical Sciences and a bronze award in the Faculty of Arts, Humanities and Cultures. Our 2022 gender pay gap stood at 19% and one way we are addressing this is by increasing the proportion of women in senior management. In addition, we are working on an identity change project to support staff and students who are changing their gender identity.

We have renewed our commitment to the expanded Race at Work Charter and we're planning to participate in the higher education-specific Race Equality Charter.

We have been investing to embed EDI across the University, with advisory groups established in strategic domains to address unacceptable behaviours in the workplace (bullying, harassment, sexual misconduct and incivility), in line with work across the sector.

We have increased accountability and transparency by developing ambitious yet robust EDI-related KPIs and publishing a Gender, Ethnicity and Disability Pay Gap Report, which goes beyond the regulatory requirements for gender pay gap reporting.

Collaboration in the higher education sector has included the establishment of the White Rose Equity in Leadership project to increase ethnically minoritised representation across senior leadership. We are also developing our own in-house programme.

Health, safety and wellbeing

The wellbeing of our staff has a huge impact on the performance of our students and the success of our University. Managing stress, health and workload is something we all need to prioritise.

The development and delivery of a broad package of health and wellbeing-focused packages of training, co-created with colleagues across the organisation, includes training sessions on mental health and work-related stress for faculty executives and professional services executive teams. We've also invested in internal support services such as occupational health and staff counselling, a new Employee Assistance programme and ongoing recruitment of a network of health and wellbeing champions across faculties, all backed up by increasing access to external services.

Delivering change

The **Transformation Office** was established last year to oversee the delivery of change programmes which are key to the University's 10-year strategy. These encompass work to deliver modern and stable technology for managing student records, corporate processes and digital security, as well as to support the transformation of our curriculum.

Progress on the **Digital Enablement and Be Safe (DEBS)** programme includes changes to the validation of University accounts to increase security, the design of a new IT operating model, the development of an institutional Data Strategy and the delivery of the Microsoft Dynamics Foundations platform.

Our **Library Services** have transformed student learning at the University of Leeds. Whether it's sourcing the reference material that's invaluable for academic study, acquiring unique collections to strengthen our position as a leading library for research (including a rare 16th century manuscript on cheese-making and an 18th century anti-slavery manuscript), or providing unique digital and creative spaces, our Library Services are fundamental to the learning experience.

In the **Edward Boyle Library**, we've opened the **Library Makerspace** for all students and staff interested in expanding their digital and technological skills. Featuring everything from craft cutting machines and 3D printers to podcasting and photography workshops, the Library Makerspace is an innovative space to learn, experiment and collaborate with fellow students and co-workers.

A low-risk, experimentation space for users to explore new technologies without personally investing in expensive equipment, it is part of our wider development of digital innovation spaces alongside HELIX, our digital learning accelerator, which opened this year (see Highlights of the year on page 8).

Futures institutes

We are creating Futures institutes with a focus on delivering research and education to address some of the most pressing global challenges. These will become recognised centres of excellence for driving world-changing research and interdisciplinary postgraduate education.

The first of these, the **Priestley Centre for Climate Futures**, is an interdisciplinary climate research, innovation and learning centre, which collaborates with partners including the Met Office, the Centre for Climate Change Economics and Policy (CCCEP) and the UK Energy Research Centre (UKERC). It harnesses our expertise in climate research to develop innovations, deliver education and inform policy for a fair, resilient and decarbonised world.

The Priestley Centre hosts a community of over 400 researchers from across disciplines including engineering, finance, health, economics, cultural studies, law and atmospheric sciences. Our experts have leading roles on the Intergovernmental Panel on Climate Change, the UK Climate Change Committee and several city-level climate commissions.





A sustainable campus

Keeping the physical estate running is about a lot more than keeping the lights on. **Campus Reimagined** is our strategy for a more sustainable campus and smarter ways of working as we recover from several years of pandemic-induced crisis management, and it provides a clear focus for the next three years.

Campus Reimagined aims to create amazing places, spaces and experiences that are sustainable, innovative and inclusive, and help everyone to feel they belong.

As part of the University's **Climate Plan**, we have identified the most effective building and energy infrastructure work to deliver net zero and developed a delivery plan and phasing for this between now and 2030. This plan is being reviewed by University governance boards ahead of planned approval by the end of 2023.

We report our net zero progress quarterly, as well as publishing quarterly estates-based emissions and annual scope 1, 2 and key scope 3 emissions on our pathway to net zero web pages: sustainability.leeds.ac.uk/climate-principles/delivering-net-zero.

We have also completed a climate change risk assessment and resilience review to assess the preparedness of the University campus for weather disruption caused by climate change.

Increased risk of flooding is one such hazard. Last May saw the official launch of the **Bodington Fields natural flood management** site, located at the University's Brownlee Triathlon Centre and created in collaboration with Leeds City Council and the Environment Agency. Bodington Fields features a range of different flood management interventions that build resilience to climate change, both on site and in the wider region. Adapting to the effects of climate change, which include increased heavy rainfall, is an important aspect of our Climate Plan and pathway to net zero.

We have signed the **Yorkshire Sustainability Pledge** – a commitment to act on climate and nature – and we are the headline sponsor of **Yorkshire Sustainability Week**. In addition, we achieved our first gold-certificated lab under the **LEAF** (Laboratory Efficiency Assessment Framework) programme, which works to improve the sustainability and efficiency of laboratories. We currently have 11 LEAF-certified labs, with additional certifications expected before the end of the year. Labs are among the biggest energy users at the University, so this points to the potential for significant benefits for the University's sustainability objectives.

University in the community

Like many higher education institutions around the world, we are committed to making a positive difference to society by engaging with our local community in addressing societal inequalities.

Supporting our students in the community

Moving to university and moving on can be tricky for students to navigate. Our **Welcome to Leeds** initiative at the start of the year saw community ambassadors door-knocking in areas popular with students, sharing useful information and guidance on living responsibly and sustainably in private accommodation.

Residences, with support from the Sustainability Service, has run a **Halls to Homes** programme of training for students moving out of University residences into private accommodation. The online guidance combines helpful videos and useful information relating to moving into the local community, covering practical matters such as paying bills, safety and security, as well as how to avoid issues around noise, antisocial behaviour and waste. Advice on living sustainably and getting involved in the local community is also offered.

Working in collaboration with Leeds City Council, Leeds Beckett University and Unipol, this year's **Moving Out** campaign targeted reducing waste at student changeover. This includes a blue bag scheme in areas popular with students where items can be donated to local charities and organisations, with a doorstep pick-up. Free shops were set up in the summer to distribute goods back to the local community.

Community at the CENTRE

The University of Leeds has taken an innovative approach through the establishment of **CENTRE (Community Engagement Network in Education, Research and Civic Engagement)**, a values- and communities-driven network of transdisciplinary leaders with a passion for, and commitment to, community engagement. There are three missions: education, research and civic engagement (CE).

CENTRE is rooted in the pedagogy of communities of practice and brings together CE activity across the University, where CENTRE's members have a shared common purpose and are directly connected to faculty and students working at grassroots level with local communities. This approach draws on the passion, experience and enthusiasm of all those involved in community engagement and shares the responsibility among them. CENTRE is committed to taking a scholarly and evidence-based approach to community engagement.

Keeping our community safe

Research by the University of Leeds can have a real impact on our immediate community and neighbourhood. This was the case with Safer Parks, which began as a study led by Dr Anna Barker, an Associate Professor in Criminal Justice and Criminology in the School of Law, into the safety of women and girls in parks. The study led to the development of a set of safety guidelines for police, local councils and community organisations.

West Yorkshire Mayor Tracy Brabin funded the research, which concluded that women and girls from West Yorkshire believed their local parks to be unsafe.

The guidelines, developed in partnership with Mayor Brabin, the University, Make Space for Girls and Keep Britain Tidy, are aimed at park managers, local authorities, police and community groups, and were launched as part of a two-day conference held at the University, entitled Women and Girls' Safety in Parks: Lessons from Research and Practice.

Social impact

More than 3,500 Leeds students volunteer each year in a well-established student volunteering programme. This year, Leeds staff and students have taken part in several community volunteering projects including:

- The **Students into Schools** placement programme gives students the opportunity to volunteer in local schools as mentors, run after-school activities and provide English as an additional language support. In addition, **Societies into Schools** sees student societies from Leeds University Union working with schools on anything from sustainability projects to languages and music workshops and after-school sports clubs.
- The **School of Law's** community engagement projects are pro bono volunteering opportunities, which allow students to put into practice skills and knowledge developed through their studies. These include a welfare appeals and tribunal clinic project, a welfare rights clinic with Leeds City Council, community and migrant support, and StreetLaw interactive workshops for young people.

Cultural highlights

Campus Live delivered 83 diverse events, run by staff, students and external organisations, over the course of 10 weeks during 2022, with multiple events happening almost every day. Some were ticketed but most were open to the public, free to attend and captured passing footfall.

Campus Live events included **Becoming the Brontës**, a high-profile collaboration with the British Library and the Brontë Parsonage Museum held at the University's Brotherton Library. An intimate display exploring the creative beginnings of Charlotte, Emily, Anne and Branwell Bronte, **Becoming the Brontës** brought together material from the Blavatnik Honresfield Library that had not been seen by the public for over 80 years. Also at the Brotherton Library, **Shakespeare's First Folio** was displayed as part of a national celebration of its 400th anniversary.

Leeds Light Night is the UK's biggest annual arts and light festival, transforming public spaces in the city with art and performance. The 2022 event encompassed three University venues.

Leeds 2023 is the city's year of culture and the University of Leeds saw several of its schools and departments, along with the Horizons Institute and Cultural Institute, playing a part in the celebrations. The **School of Music Summer Festival** in July was programmed to reflect the Leeds 2023 themes and featured 'Untold, Unheard and Hidden Stories' – music by marginalised and forgotten composers, little-known pieces and interesting new narratives.



KPI 1

KPI 2

KPI 3

KPI 4

KPI 6

KPI 7

KPI 8

KPI 9

Student education

Nurturing global citizens

Now more than ever, and despite geopolitical developments, young people grow up, study and work in a world without boundaries. Events on the other side of the world can affect them – but, equally, they know that they can be part of the solution.

Despite dealing with economic, social and mental health issues that would have stumped previous generations, Leeds students never cease to amaze us with their curiosity, innovative thinking and application. They are the problem-solvers of tomorrow and we owe it to them to provide the very best educational experience.

Our 2022–23 cohort included more than 14,400 international students from 137 countries, representing 35% of students, in line with our KPI.

A new curriculum for a new generation

Curriculum Redefined, which launched last year, is a 10-year programme designed to create a curriculum that matches our students' aspirations with the problems facing the world. It embraces new ways of teaching and creates a better learning experience for our students.

The initial phase of Curriculum Redefined achieved five principal outcomes:

- hiring new academics to support and drive delivery
- restructuring the curriculum and rationalising portfolios
- articulating a refreshed approach to the curriculum
- establishing school programme development plans (PDPs)
- expanding our capacity to implement change

A significant part of the process is creating the conditions that enable people to think differently and more creatively. We've included a diverse range of people in the work of Curriculum Redefined, changing where and how the programme work happens and developing new processes and practices.

New programming and infrastructure enable us to offer appropriate support for academics in curriculum design and pedagogical and assessment change.

An equal partnership

The University joins forces with Leeds University Union in **The Leeds Partnership**, created in recognition of the need for all members of the Leeds community – students, staff and postgraduate researchers – to work together to help students make the most of the opportunities available to them during their time at the University, and contribute to their sense of belonging.

The Leeds Partnership is a mutually beneficial partnership that lays the groundwork for our successes and strengthens a sense of community. There are three core commitments:

- to be responsible, accessible and respectful
- to prepare for, engage with and contribute to learning at Leeds
- to help each other to reflect, develop and improve

We have worked together to ensure that everyone within the University understands and uses The Leeds Partnership. This means that schools across the University engage both staff and students to implement and embed the partnership's values and ethos through activities such as:

- regular programme meetings between students and teaching staff
- strong student representation on University school student-staff partnership forums, including the involvement of student society representatives
- student-run module surveys
- programme review sessions built into personal tutorials
- including students in the recruitment process for academic staff and prospective students

Students sit on all the University's major committees, so they can have input into decision-making at the highest levels and are able to shape the future of the University.

The Partnership Awards celebrate this approach. Held annually, they're designed to celebrate the people at the core of our learning community – students, staff and everyone who contributes to the achievement of our core commitments. The awards are open to, and voted for by, students and staff working across all areas of the University and acknowledge successes outside traditional markers such as grades or performance reviews.

This year more than 1,000 nominations were received for the 14 awards. Commenting on the nominations, Professor Jeff Grabill, Deputy Vice-Chancellor: Student Education, said: "In every category, we have heard about how important community is, how much we value each other, and how much we can achieve when we work together. I'm humbled to have been with you tonight and to celebrate you all."

The University provided impact funding to Leeds University Union last year for projects focused on enhancing the student experience.

Reducing inequalities

Our **Access and Student Success Strategy** is set out across four pillars of the student lifecycle – access, continuation, attainment and progression – and aims to address the inequalities that exist for underrepresented students at all stages of their progression through the University.

Closing the awarding gap

Underachievement by ethnically minoritised students is a sector-wide problem. Black and Asian students are less likely to achieve a first-class or upper second-class degree or a merit at Masters level. At Leeds, ethnically minoritised undergraduate students are awarded grades that, last year, were 9.1% lower than their peers. We have exceeded our annual benchmark and are committed to reducing this to 5.5% by 2025 and eliminating it completely by 2030. We will be focusing on enhancing the outcomes for Black students to achieve this.

Since we launched the Access and Student Success Strategy in 2020, we have worked on the curriculum and the wider learning experience to reduce the gap. Two faculties have achieved particularly notable results over the past five years: the Faculty of Biological Sciences (FBS) has reduced its awarding gap from 11% to 5%, and Leeds University Business School (LUBS) has reduced its gap from 19% to 9%.

The Business School increased support for staff in working with and advocating for underrepresented groups, joining forces with Leeds University Union student reps and the school's academic societies to create a community that's relatable and relevant to all students, with targeted mentoring and buddy programmes helping with student transition.

The Faculty of Biological Sciences devised an inclusive learning environment that focuses on student-centred learning and diversification in how a subject is taught and assessed. More representative curricula were developed, and a sense of belonging was encouraged with a faculty Community and Culture Club, hidden curriculum events and diverse online and physical spaces. Initiatives take time to effect change, so long-term resources are in place to keep up the momentum.

Widening access to postgraduate success

University of Leeds ethnicity data from 2019 revealed that the lowest postgraduate application to acceptance conversion rates were for Arab and Black students, which were 10% lower than for other ethnic groups and more than 20% lower than for white students. Data for women in this demographic is scarce but the general trend suggests a rise of just 1% in 10 years.

This means that Leeds, like other universities, is losing out on valuable, diverse, lived experience, and students are seeing fewer role models who look like them, which only perpetuates the problem.

Since the launch of the Access and Student Success Strategy, the gap between the percentage of white postgraduate taught students and ethnically minoritised postgraduate taught students who do not continue their studies has fallen from 6.9% in 2020-21 to 6.1% in 2021-22; in tandem with closing this gap, the overall non-continuation rate of ethnically minoritised groups has reduced from 15.1% in 2020-21 to 11.1% in 2021-22. We also support postgraduate research students, as explained on page 27.

Levelling the playing field

Our **Access to Leeds** scheme looks to bridge the gap in access to higher education that exists between students from different backgrounds, including those who have attended schools where attainment is significantly lower than average. The scheme includes lower entry requirements and contextual support in the form of the Access to Leeds (A2L) module, which eligible students follow during their year 13 summer term at college or school and is the largest scheme of its kind in the country.

The pre-entry preparation that students receive in the A2L module is crucial to achieving our wider Access and Student Success Strategy targets. Over the past five years, 87% of A2L students have achieved a 2:1 or higher.

Access to Leeds students who commence their studies at the University are automatically enrolled on the **Plus Programme**, which helps students from underrepresented backgrounds settle into University life and tap into resources, events and activities that can enhance their experience practically, emotionally and financially through their student journey. The results show that 98% of first year undergraduates on the Plus Programme continued to the second year, compared with the University overall average of 89%.

A key outreach programme, **Futures**, aims to reach underrepresented students in years 12 and 13 with regular and sustained intervention, including general sessions giving practical help on applying to University, subject-specific academic taster sessions and interaction with academics and current students.

In 2021-22, Futures programmes encompassed the environment, politics, history, English, medicine and dental/healthcare. Additional arts, music, psychology and STEM programmes are coming on stream and non-academic support (such as on finance, choosing your course and personal statements) is now delivered by a centrally coordinated team.

Combating the cost-of-living crisis

A report commissioned by Russell Group students' unions and carried out by Students' Union UCL this year showed that the current cost-of-living crisis is having a disproportionate impact on students.

The survey of 8,800 students revealed that one in four regularly go without food and other necessities because they can't afford them, rising to three in 10 for students from disadvantaged backgrounds.

The University absorbed some £40m in costs including £26m of energy costs, halving proposed rent increases in halls of residence

and subsidising low-cost hot meals for students, staff and postgraduate researchers in food outlets on campus. We increased our commitment to the student Financial Assistance Fund almost five-fold to £1.9m, with £0.5m ring-fenced to support postgraduate researchers.

A total of £320,000 was also allocated to boost existing student support schemes, including support for care leavers and estranged students, Leeds Masters scholarships and testing for the Disabled Students' Allowance, with free period product provision extended across more locations on campus.

Case study

Student insight informs cost-of-living campaign

A proactive winter campaign to help Leeds students navigate the rising cost of living, designed in collaboration with students themselves, focused on the things they told us they needed the most: budgeting, money-saving tips, finding paid work, and University support and resources.

The campaign was structured in monthly phases, each building on the last while connecting to key milestones in the student experience. The monthly themes were laying foundations (October), building community (November), prepping for holidays (December), starting fresh (January), and concluded with a big push for National Student Money Week (February).

The entire campaign was developed based on student insight – a campaign designed for students, informed by students and delivered in partnership with students. Over five months, in collaboration with students, we produced a significant amount of content including:

- a cost-of-living online hub bringing together information, resources, content and support in one spot for students to refer to all year long. The web hub was in the top 20 most viewed pages by students consistently from October 2022 to March 2023

- 26 new blogs, many written by student curators, on topics designed to appeal to different sections of our diverse student community. Topics included everything from a beginner's guide to budgeting, finding second-hand textbooks, tips for batch cooking, mental health and managing money. Cost-of-living blog content accounted for more than 20% of all clicks on the University's blog site during the campaign period
- social media content including seven TikTok videos and ten Instagram story takeovers
- 42 pieces in student newsletters, which contributed to more than 26% per cent of total student newsletter clicks. Our special edition newsletter promoting Student Money Week was the top-performing newsletter of the year

We hosted Student Money Week in partnership with Leeds University Union – a week-long series of events and activities informed by student insight and designed to connect students to information, support and giveaways in a meaningful way. More than 80 submissions were received for a student digital recipe book, and more than 300 tips were put on the 'money tree', included in our Student Money Manual for new students in September 2023. In addition, over 500 students attended drop-in activities.



Embracing digital opportunities

The pandemic taught all of us the potential of online learning and digital collaboration. And with the world adapting to a 'new normal', lessons learned through necessity can become powerful tools for enhancing student experience and increasing our global influence.

The **Digital Transformation Programme** will ensure that we are using digital technologies, approaches and data effectively and providing a high-quality student experience that supports student success.

Our **Online Education Strategy** sits at the heart of our Digital Transformation and Student Education strategies. It is embedded within Curriculum Redefined and programmes will be reflected in faculty portfolios. We have bold ambitions to grow our online offer to drive lifelong learning, global impact and dissemination of Leeds research and educational excellence.

The offer will include a portfolio of online degrees, microcredentials and online short course pathways for globally distributed online learners. Fully online learning helps us reach new students anywhere in the world and offers an accessible alternative for students who cannot be on campus. We are developing a pipeline of programmes focused on market-driven subject area clusters.

Our commitment to students and staff is to build a model of design and development support at scale for an equitable experience. We will continue to explore digital technologies that support our students, regardless of how they are studying with us.

A **Professional Learning Strategy**, enabling us to support skills-based, non-credit learning and industry collaboration, is currently under development, with a working group led by our Pro-Vice-Chancellor for Business Engagement and Enterprise. A key benefit will be the opportunity to stay connected with our alumni community and support them through their careers.

Graduates with impact

Leeds graduates are highly employable. Since 2015, the University has consistently been one of the top 10 UK universities targeted by employers.

Our use of industrial advisory boards across disciplinary areas ensures alignment with regional, national and global industrial and economic challenges and improves the employability of our students. Often leveraging the active engagement of our alumni, these boards also provide opportunities for students through industry scholarships, and they advise and support the development of our courses and their effectiveness in developing employable graduates.

Between 2019 and 2022, 96.6% of our students making use of our Careers Service had identified their next steps to progress their career. The latest Graduate Outcomes survey (2019–20 graduates) indicates that 79.5% of our students believe what they are doing after graduation fits with their future plans and 86.6% believe what they are doing to be meaningful.

Students who participated in both Access to Leeds and the Plus Programme scored equivalently, demonstrating the success of these programmes in preparing and supporting students from less advantaged backgrounds towards the same outcomes as students from more advantaged backgrounds.

The University contributes significantly to the Leeds City Region's ambition to retain graduates in the area. The latest Graduate Outcomes data for those who graduated in 2020–21 shows that, for all eligible UK undergraduates where a destination is known, 29.1% remained in the Leeds City Region.

Our study abroad and industrial year both have a positive impact on graduate outcomes. In the latest Graduate Outcomes Survey (2020–21 graduates), the proportion of UK undergraduates who undertook these opportunities saw increases in graduate-level employment of +5.5 and +12.1 percentage points respectively when compared to those who did not.

A partnership to address global health workforce shortages

Clinical training in hospitals and health practices are a necessary and integral part of medical and healthcare education worldwide. But a shortage of placement opportunities can create bottlenecks in health education, hindering efforts to address the estimated shortfall of 10 million healthcare workers worldwide.

A new partnership between the University of Leeds and medtech specialist **Global Health Education Group** (GHEG), announced in March 2023, will go some way to helping solve the problem through the development of an online learning tool designed to significantly increase the accessibility, scale and quality of clinical training opportunities available to healthcare students.

The new platform allows larger groups of healthcare and medical students to participate in clinical placements at the same time through live-streamed consultations on the other side of the world – whatever the distance between patient and clinician, on the one hand, and the students on the other.

Students can see the patient through special glasses worn by the clinician, hear the patient's heart and chest sounds through the e-stethoscope and see what the clinician sees when examining the ear through an e-otoscope, as if they were carrying out the examination themselves. They can also interact with the patient and ask questions.

The technology, which will also expand clinical training and placement opportunities in hard-to-reach locations and settings, has been co-designed with GPs, clinical academics and researchers from Leeds' School of Medicine, and tested with the assistance of its medical students. Phase two of a feasibility study is trialling the technology with patients.

We are testing the approach and researching the effects on the quality of the education and the patient experience in the Leeds region and will soon start working with colleges and universities in the UK and with partner universities in other countries, including in the Global South.



KPI 1 KPI 2 KPI 3 KPI 5 KPI 6 KPI 7 KPI 8

Research and innovation

Making the world a better place

The University of Leeds is an internationally renowned research institution.

We aim to be at the heart of the global research and innovation community, delivering fundamental and challenge-led research to advance knowledge and tackle major issues. The drive to make the world a better place for all its inhabitants is central to our research.

The most recent Research Excellence Framework (REF 2021), which assesses the excellence of research in UK higher education providers, has rated 90% of our research 'world leading' or 'internationally excellent' and, among the top UK universities, we attract one of the highest proportions of prestigious research funding. We are second in the sector for the number of Newton Fund and Global Challenges Research Fund (GCRF) awards secured, given for work with developing countries to tackle global challenges (and we're third for the value of those awards).

Our research is informed and guided by the United Nations Sustainable Development Goals (SDGs) and our own KPIs. We work collaboratively with global partners in academia, government, industry and the third sector to deliver transformational research that helps create a fairer and more sustainable world.

Our aims and objectives

1. We are committed to **supporting our researchers and research staff** to help them achieve their full potential with proactive diversity and inclusion strategies and mentoring, networking and leadership training opportunities.
2. We produce high-quality, challenge-led and sustainable interdisciplinary research, underpinned by our fundamental **cross-disciplinary research strengths**. We work with policymakers, businesses and third-sector organisations from around the world to address major societal challenges and support interdisciplinary research through our research centres and institutes.
3. We remove institutional barriers to support **collaborative working** between disciplines and effective external partnerships, increasing our partnerships with key stakeholders in business and the public sector.
4. Attracting **funding from diverse sources** helps us create a greater impact. We use agile commercial models for working with business, employing dedicated staff with specialist skills and using a structured approach to consultancy and contract work. Partnering with investors helps create more start-up and growth facilities for businesses.



An inclusive and supportive research culture

Leeds is a values-driven University, and our expertise in research and education is put to work in pursuit of a better future for all. Solving the complex problems that face our world requires a concerted community effort. We collaborate openly across disciplines and sectors, bringing together fundamental and translational researchers with policymakers, business, third-sector organisations and others to deliver long-lasting change.

Key to delivering this vision is our ambitious, inclusive research culture and environment that supports our staff and partners to achieve their full potential, realising our shared goals. Our Research Culture Strategic Plan 2023–2028 provides an essential framework for integrating research culture, quality and impact. It will enable more staff to produce leading research equitably, openly and supportively, and signals an institutional commitment to lifting barriers at all research career stages and for all job roles.

We value all participants in our research activities. This includes academic, research and technical staff, collaborators and partners, colleagues in professional services, students, and those in many other diverse roles whose contribution is essential. Inclusivity has a positive impact on our research outcomes.

As a research-intensive University, Leeds is well regarded for its collaborative and collegiate approach. This promotes outstanding interdisciplinary research that, in turn, supports innovation and enterprise, as well as research-based education and teaching. For example, through our **Crucible programmes**, we enable the development of our early-career academics and break down barriers between disciplines. Time and space away from the 'day job' through these initiatives allow people to develop novel ideas and methods.

Of course, we recognise that our research culture is not perfect. Our Dean of Research Culture is key to developing and implementing our Research Culture Strategic Plan in collaboration with colleagues.

Building an inclusive and supportive research culture is a dynamic process, which embeds good practice as it emerges. We continually review progress and embrace opportunities for improvement and we will launch a suite of projects designed to enable us to evidence (in diverse and inclusive ways) our efforts, progress and failures as we continue in autumn 2023. Our recently launched Research Culture Strategic plan can be found here researchculture.leeds.ac.uk/wp-content/uploads/sites/116/2023/09/University-of-Leeds-Research-Culture-Strategy-Report-1.pdf and includes a section on 'Measuring our Success'. The indicators in the plan will be monitored continuously and reported on annually. The Research Culture Strategy is a key component of KPI2 (Sustaining a strong academic reputation) and KPI6 (Providing a healthy, safe and inclusive environment and enriching experience for staff and students).

Supporting postgraduate research students

We're redesigning our processes and systems to address inclusivity, including the introduction of targeted research internships and ring-fenced scholarships. The University is also part of two innovative programmes – the Yorkshire Consortium for Equity in Doctoral Education (YCEDE) and Generation Delta – funded by Research England and the Office for Students (OfS) and designed to close the representation gap for ethnically minoritised students at postgraduate level.

A consortium of the universities of Leeds, Bradford, York, Sheffield and Sheffield Hallam, YCEDE looks at international best practice on accessing and studying as a postgraduate researcher. At Leeds, schools are trialling and evaluating contextual admissions measures to be implemented during the 2023–24 recruitment cycle.

Generation Delta aims to lay the groundwork for more women from ethnically minoritised backgrounds to enrol in and complete postgraduate research degrees. Leeds is partnering with Goldsmiths, University of London and the universities of Plymouth, Reading, Sheffield and Sunderland to address inequities at three key stages of the postgraduate research life cycle – admission, retention and progression – and in career training. A postgraduate research network for ethnically minoritised women will be established as a legacy to nurture, support and sustain the next generation of ethnically minoritised female professors.

Digitally driven progress

Our **Digital Transformation** programme is increasing our ability to conduct high-quality, collaborative and globally impactful challenge-based research and innovation.

A new **Research IT Strategy** has been agreed and enacted, ensuring researchers have the tools and support they need. A Director of Research IT has been recruited. As part of Libraries' vision for 2030, **Knowledge for All**, the digital library infrastructure project, will increase and facilitate collaborative opportunities through the digitisation of content and development of a cloud-based workflow storage and discovery platform.

Scoping funds were released to inform the **Research Management System** and to help develop the full business case for this. Work has begun to provide high-quality, flexible, secure, interoperable, user-focused technology and development environments for postgraduate researchers, researchers and staff.

An interdisciplinary and collaborative environment

Our research environment supports an interdisciplinary approach, bringing together ideas and innovative thinking from several perspectives and focusing on the purpose of research. Everyone can get involved, leading to more enterprising and inclusive outcomes.

Research Transformed will support a sustained increase in our portfolio of excellent research, both fundamental and applied. It underpins the development of a diverse and inclusive research culture and environment that recognises the importance of all contributors to research, supporting the development of interdisciplinary and collaborative research teams from the University and our partners. Such an approach is critical to push the boundaries of knowledge and to address the challenges that the world faces, which are too complex to be dealt with by a single discipline or institution.

Interdisciplinary research organisations and areas include:

- The Astbury Centre for Structural Molecular Biology
- Bragg Centre for Materials Research
- Centre for HealthTech Innovation
- Cultural Institute
- Energy
- Global Food and Environment Institute (GFEI)
- Leeds Arts and Humanities Research Institute
- Leeds Cancer Research Centre

- Leeds Institute of Data Analytics (LIDA)
- Leeds Institute for Fluid Dynamics (LIFD)
- Priestley Centre for Climate Futures
- Robotics
- water@leeds

Breaking down boundaries: Horizons Institute

The Horizons Institute is a key part of the research and innovation strategic plan and provides a shared platform for tackling global challenges. Established in March 2022, its first year has seen the launch of a headline theme, What comes after the UN Sustainable Development Goals?, and four challenge themes: mental health, physical activity and movement, antimicrobial resistance, and space.

The Institute launched its Global Academy, with colleagues from universities in Ghana and South Africa collaborating on a variety of topics, while the LEEDS 2023! festival saw Leeds researchers from STEM (science, technology, engineering and mathematics), humanities and social sciences disciplines collaborating with local artists, activists and entrepreneurs.

The Horizons Institute has also grown its portfolio of policy work, partnering with the Yorkshire and Humber Policy Engagement and Research Network, Leeds Social Sciences Institute and Leeds City Council to secure funding and identify shared areas of research interest.



Case study

£19.8m funding allows Biomedical Research Centre to expand

Today's reality for the NHS is that older patients are increasingly living with multiple conditions, not just one disease. The NIHR Leeds Biomedical Research Centre (BRC) is an international centre of excellence that addresses the urgent challenges of an ageing population, and focuses on providing individually targeted, cost-effective therapies that improve the lives of those living with musculoskeletal disease.

This year the Leeds centre was awarded a further £19.8m by the National Institute for Health and Care Research (NIHR) to continue its work. This represents a three-fold increase in funding, which allows it to expand its research across heart disease, cancer and infection. It formalises Leeds' academic partnership with the University of York, bringing its expertise in haematology into the new BRC.

NIHR biomedical research centres are partnerships between healthcare professionals and academics in the country's leading NHS trusts and universities. They are funded by NIHR to enable them to attract the best scientists and create an environment where experimental medicine can thrive.

"This will enable BRC to capitalise on advances in technology, including harnessing advances in diagnostics, pathology and therapeutic technologies such as robotics and artificial intelligence,"

says Sir Julian Hartley, now Chief Executive at NHS Providers and previously Chief Executive at Leeds Teaching Hospitals NHS Trust.

"This has the potential to improve patient outcomes and quality of care."

BRC enhances the University's joint work with the life sciences industry and further supports the development of an innovation district with partner organisations across the city.

Professor Lucy Chappell, Chief Executive of NIHR, says:

"Research by NIHR biomedical research centres has led to a number of groundbreaking new treatments, such as new gene therapies for haemophilia and motor neurone disease, the world's first treatment for Creutzfeldt-Jakob disease, a nose-drop vaccine for whooping cough, and the first UK-wide study into the long-term impact of COVID-19."

"This latest round of funding recognises the strength of expertise underpinning health and care research across the country and gives our nation's best researchers more opportunities to develop innovative new treatments for patients."



Case study

Exploiting the potential of peel

Every year, a million tonnes of peel waste is generated from the mandarin canning industry in China alone, as well as a further 10 million tonnes of wastewater. It's too acidic to be composted, so it's usually incinerated – a process that's hugely damaging to the environment.

Richard Blackburn is Professor of Sustainable Materials in the School of Design at Leeds and co-founder of Keracol Limited, a spinout company he set up with Professor of Organic Chemistry Chris Rayner to develop new sustainable products. He turned his attention to the problem of waste pith and peel, working with local teammates and partners in China on an intercontinental project with huge potential – creating a range of products that make use of the molecules, enzymes, organic acids, natural polymers and essential oils contained in this plentiful by-product.

Named Citrusafe, the project began with an initiative to turn both the canning wastewater and the peel from mandarin production into a wide range of high-value products.

Keracol focused on using these peels to create sustainable skincare products. The business is now selling the products resulting from this pioneering research collaboration through its skincare brands.

Also involved in the Citrusafe project was Professor Dr Christine Bosch, whose research interests include bioactives and who has been working with the School of Dentistry to better understand whether they can improve dental health. She dissected the waste from Keracol's extraction of different types of mandarin and conducted tests on the flavonoids to see if their properties could change the balance of bacteria within the mouth.

Richard Blackburn sees great potential for future collaborative projects:

"I think our work with partners in China is a great example of how, right here from Leeds, we can bring academia and industry together to solve several problems in new ways, reducing food waste, creating attractive high-value products and meeting economic challenges at the same time."



Knowledge exchange

Partnerships for prosperity

Leeds is a collaborative University, and we work with partners in the public and private sectors to maximise our effectiveness. We're developing partnerships with civic and regional bodies to influence policy and ensure maximum positive societal and economic benefit from the University's research and innovation strengths.

Regional innovation is supported through the Leeds Innovation Arc, an innovation neighbourhood formed around the University of Leeds, Leeds Beckett University, Leeds Teaching Hospitals NHS Trust, Leeds City Council and a network of private sector organisations in a world-class hub for research and innovation. Its aim is to stimulate innovation which drives and delivers measurable impact towards a healthier, greener and inclusive future for Leeds and the world.

Following the appointment of a new Pro Vice-Chancellor for Business Engagement and Enterprise we are developing a new Business Engagement and Enterprise Strategy. We help external partners work with the University and access research, knowledge, talent, facilities and skills development. Equally, we help our students, staff and alumni develop and grow early-stage, innovation-driven start-ups through local, national and international partnerships and mutually beneficial activities.

Knowledge only has lasting value when it is shared. It is our responsibility to ensure that the knowledge created by our students, academics and partners is used for the benefit of our neighbours, our region, our country and the global good.

This year, the University was awarded funding from UKRI to develop a **Local Policy Innovation Partnership (LPIP)**. This initiative will support local and national policymakers in tackling levelling up challenges, driving sustainable and inclusive economic growth, and reducing regional disparities in the UK. Leeds is one of only 10 universities to receive funding from the £23m LPIP programme. The scheme will build cross-sector partnerships, aiming to address policy challenges that matter to local people and communities.

We have established a University of Leeds and Leeds City Council **Research Policy Collaboration Steering Group** to drive forward joint research projects which benefit the people of Leeds. With city council colleagues, we have identified 12 priority areas of research interest to give focus to this work.

Through the **Leeds Academic Health Partnership (LAHP)** we are bringing together academic capabilities with the health and care system across the city to speed up the adoption of research and innovation, improve health and social care and prepare the future workforce. We are also a partner in the Born in Bradford initiative, an internationally recognised research programme tracking the lives of Bradford residents to find out what influences the health and wellbeing of families.

A global commitment to reducing inequalities

At a time of climate crisis, economic instability, inequity, poverty and forced population displacements, it's never been more important for the global higher education sector to pool its collective knowledge and resources to address challenges which threaten the health and wellbeing of people all over the world.

We know that our combined knowledge can address the world's most pressing problems, but only when that knowledge is shared.

The **Knowledge Equity Network (KEN)** is a joint initiative from the University of Leeds in partnership with the University of Pretoria, South Africa, designed to open the doors to knowledge in higher education – across teaching, research and societal outreach.

We know that our combined knowledge can address the world's most pressing problems, but only when that knowledge is shared, unhindered by barriers of cost, time or national borders.

Yet across society, there is a tendency to resist sharing because knowledge is seen as property. Too often, knowledge can only be accessed by those with the financial means to do so.

Higher education can help to reduce global inequalities by establishing unrestricted, truly open and equitable access to quality education and research for everyone.

This is impossible for a single institution to achieve at scale but, by creating and championing KEN, we will place Leeds at the heart of a global community, combining research and innovation, research-led student education and knowledge exchange. In doing so, it will support our institutional commitment to making a positive impact in the world.

We recognise that many institutions, funding agencies, publishers, organisations, networks and individuals are already encouraging improved practices to support different aspects of openness and knowledge equity. Our aim is to share and build upon these practices, developing a global approach for the benefit of all.

An inaugural summit was held in November 2022, KEN's first major step to encourage leaders, policymakers, higher education institutions, funders and experts to sign up to a global declaration and work towards a common goal – reducing inequalities through the sharing of knowledge.

Making the right connections

Nexus is a community of innovators and entrepreneurs housed in a state-of-the-art innovation hub on the Leeds campus. Businesses that become Nexus members have access to a team of experts, business support services and other member organisations for collaboration and mutual support. They can tap into the University's student and graduate talent via internships, placements and apprenticeships.

Since Nexus launched, member businesses have created 236 new jobs, raised over £98.7m of private investment, been awarded over £26.8m in grant funding and secured £27.5m in research income.

Some 94 Leeds graduates have been employed full time by Nexus member businesses, boosting the local economy and the social cohesiveness of Leeds by keeping crucial graduate talent within Leeds City Region. Nexus members have also offered over 181

successful postgraduate research, undergraduate and Masters placements or internships within their businesses.

Nexus continues to drive growth through strategic longer-term partnerships, such as with KPMG, which initially focuses on entrepreneurship and the scale-up of high-growth businesses. The partnership extends to the wider University and includes developing joint research projects and exploring learning and skills development opportunities for students, businesses and KPMG colleagues.

Nexus has a growing international presence, with member businesses joining from Canada, the US, Italy, France, New Zealand, Estonia and India, bringing new opportunities into the University and Leeds City Region.



A shared impact is a bigger impact

Leeds has a long history of partnering with other research institutes and universities, governments, businesses and charities, within the Leeds region and nationally and internationally.

Locally, we've worked with public and third-sector partners across the region, bringing our research expertise to address specific issues. We help organisations boost their commercial impact through collaborations on major research projects and have an enviable tradition of nurturing home-grown talent from amongst our student community, giving it the space and funding opportunities to grow and flourish.

We work with prestigious national organisations, including the Henry Royce, Rosalind Franklin and Alan Turing institutes, the Centre for Innovation and Excellence in Livestock and the Met Office, to enhance the University's contribution to UK growth and competitiveness.

The University has successfully grown its portfolio of Knowledge Transfer Partnerships (KTPs) with businesses over the past five years, from four in 2018 to 20 in 2023. Through the scheme, a qualified graduate or postgraduate, supported by an academic team, works in a business as part of a one-year to three-year project to tackle a strategically important challenge.

Commercial successes

The University's intellectual property is a valuable asset, which can be licensed for commercial use by third-party organisations or co-developed in collaboration between our researchers and industry.

We've created more than 110 spinout companies since 1995, including firms that are revolutionising the ways that organisations remove carbon dioxide from emissions, dentists scan impressions, and firms simulate real-world entities or systems. There are around 250 active projects and over 450 patents in our portfolio.

In the past five years alone, University-created spinouts have employed 1,200 people, generated turnover of £415m and attracted investment of £269m.

Northern Gritstone, the research commercialisation business we jointly founded with the universities of Sheffield and Manchester in 2021, continues to support the commercialisation of University spinouts and science and technology businesses based in the North of England. In April it invested £2m in a seed investment funding round, part of which is supporting LC Auxetic, a University of Leeds spinout, to develop auxetic materials from liquid crystal elastomers. Auxetic materials become thicker when stretched, making them attractive for applications requiring durability and robustness, such as electronic screens and glass for buildings and vehicles. LC Auxetic was conceived by Professor Helen Gleeson OBE, Cavendish Professor and former Head of the School of Physics at the University of Leeds.

Northern Gritstone celebrated these and other successes at its second AGM, held at Nexus in July. The meeting attracted Minister for Science, Research and Innovation, George Freeman MP, and Shadow Chancellor, Rachel Reeves MP. Both emphasised the importance of building a technology hub in the North of England and championing the impact of the three universities in driving the UK's innovation economy. At the end of the year, Northern Gritstone had secured total funding of £306m (as this report went to print, it announced a final close of £312m – anchored by £150m of investments from local authority pension funds including South and West Yorkshire, Greater Manchester, Merseyside and East Riding).

Fostering entrepreneurialism and enterprise

The ideas and enthusiasm of Leeds students know no bounds. Bringing their ideas to market is massively boosted by activities targeted at undergraduate and postgraduate students, academic staff and local business people.

Enterprise and entrepreneurship are thriving at Leeds, despite the setbacks of the pandemic. They are boosted by **SPARK**, the University's business start-up organisation, which works closely with alumni and external partners, providing scholarships, proof-of-concept grants and funded enterprise opportunities, mentorship and business incubation facilities as an alternative to industrial placements. SPARK works closely with the **Centre for Enterprise and Entrepreneurship Studies** and is available to Leeds students while they are at the University and up to seven years after graduation.

SPARK has a huge impact on the local economy. In 2022–23 it:

- raised over £400,000 in external leveraged funding
- generated over £6m in revenue
- created 82 jobs
- launched 65 business start-ups
- hosted 48 SPARK business incubator residents
- saw two patents pending from student companies

Through the scheme, a qualified graduate or postgraduate, supported by an academic team, works in a business as part of a one-year to three-year project to tackle a strategically important challenge.

Alumni funding is crucial to the success of SPARK-nurtured businesses, which frequently go on to achieve great things.

For example, former enterprise scholar Elliott Herrod-Taylor set up **The Bunch** while at the University. His business helps people in houses of multiple occupation (HMOs) share the bills in a way that makes it easy to manage. The Bunch now employs around 35 staff and Elliott gifts back to SPARK in many ways, from time, advice and contacts to philanthropic giving.

International graduates Saile Villegas from Mexico and Reo Ogusu from Japan set up Seeai, which operates out of the SPARK business incubator. Initially developing an AI-based product in collaboration with NHS Grampian, Seeai has diversified into AI consultancy for tech businesses across the UK and globally.

Case study

Protecting pockets and the planet

At a time of rising food prices and a deepening climate crisis, Jamie Crummie, a Leeds Law student graduating in 2014, has created a global phenomenon which helps customers rescue unsold food from businesses, saving it from going to waste.

Food waste costs £20bn a year in the UK but \$1.2tn globally. Eurostat calculated in 2022 that 10% of the world's greenhouse gas emissions come from food waste. Alongside this waste, paradoxically, severe food shortages mean that four million UK children go to school hungry each day and 10% of the world's population go to bed hungry every night.

For aspirant barrister Jamie, entrepreneurship was not part of the career plan. But during his study abroad year in Australia, the volume of food waste troubled him and things began to change.

With the support of SPARK, Jamie launched Too Good to Go in 2016. It's a social impact business with a mobile app that enables people to rescue food from participating food businesses to avoid it going to waste.

As of April 2023, Too Good to Go has over 75 million app users in 17 countries across two continents and has saved more than 250 million meals from going to waste.

Jamie says:

"I have always been motivated to create positive impact and establishing a business with a social and environmental purpose has enabled me to do this at scale."

Jamie and co-founder Christopher Wilson (English and Spanish, 2014) worked with like-minded entrepreneurs in Copenhagen to create the app, which initially began as a web shop. Too Good to Go lets businesses list surplus food each day, and customers can buy their surprise bag (they don't know what they'll get) for just £5.

"Our solution is a triple win,"

Jamie explains.

"A win for the customer, who is able to do something good for the planet by rescuing food that would otherwise have gone to waste at a reduced price, a win for businesses which reduces their food waste and recover sunk costs, and a win for the planet as food is no longer going to landfill"

Jamie and Christopher were foot soldiers at the start, knocking on doors and trying to build a brand. They joined the SPARK incubator, which provided advice in areas such as accounting and law, mentoring, grant funding and workshops.

"SPARK kick-started our growth,"

says Jamie.

"Pitching to the programme was an invaluable experience, because it was very similar to pitching to business owners and investors down the line, and we were able to get live feedback and improve."

Today, Too Good to Go operates in 17 countries and works with 180,000 businesses. In 2022, it saved almost 79 million meals – enough food to host the entire population of the UK for a dinner party with enough left over to invite everyone in Belgium. In 2023, the company was named as the number one best place to work by Escape the City.

The brand continues to grow and provide an invaluable solution to those struggling with the cost of food.

Outlook

The University has an exciting portfolio of programmes and initiatives, recently launched or still in development, for the 2023–24 academic year.

Its second phase, 2024–25, will see CENTRE further refining the co-developed principles and frameworks and expanding the numbers of projects (for education, research and civic engagement) with local and global partners.

Economic impact

Independent research detailing the University's economic impact at a national, regional and local level was carried out during the year as part of reporting against KPI 1B, which considers our socio-economic impact. This extensive research, by Viewforth Consulting, updated work it carried out in 2015. It found a significant increase in our economic impact in the intervening years. In modelling the University's overall economic impact, including the impact of its students, the report concluded that it contributes more than £1.93 bn to the Leeds City Region, £2.31bn to Yorkshire and the Humber and £2.69bn to the UK economy. Work to communicate these and other impressive findings – and the drivers behind them – is planned for later in 2023.

Knowledge Equity Network

Alongside the regular programme of events for signatories to the Declaration, launch events for the Knowledge Equity Network (KEN) will take place across the globe over a period of 24 hours in 2024. To bring advocacy and publicity to KEN and its ambitions on a global scale, these events will bring together current signatories across all the time zones to address important topics relating to knowledge equity. An international conference is envisaged for 2025 to give real momentum to the network and its potential for a truly global answer to global problems.

Leeds Curriculum

Leeds Curriculum continues to provide all students with an opportunity to develop as individuals and engage with active, inclusive and authentic learning and assessment opportunities. As part of this approach, students will have increasing opportunities to engage in curricula designed to explore many of the challenges our global community faces.

Sustainable Curriculum

The University is committed to giving all students the opportunity to study, research and participate in work related to sustainability and climate change in order to have a positive impact in the world. Our Sustainable Curriculum programme will build upon and support the activities of our community of practice of staff (academic and professional) and students. Using a range of activities such as the Living Lab, Discover and Explore placements and volunteering, we will embed sustainability at every stage of the student experience, from induction to social activities on campus.

CENTRE

CENTRE (Community Engagement Network in Education, Research and Civic Engagement) is committed to connecting leaders across the University with the city and region to make a positive difference to people's lives. CENTRE will work closely with students, communities, local anchor institutions, faculty and national and international collaborators to co-produce a framework of principles for community engagement.

CENTRE will explore with the local community innovative ways to ensure ongoing meaningful dialogue, harnessing the University's academic potential to address the inequalities affecting local people.

[...] students will have increasing opportunities to engage in curricula designed to explore many of the challenges our global community faces.

Smeaton300

In 2024 the University's Cultural Institute will be a principal partner with Smeaton300, a national creative events programme commemorating the 300th birthday of Leeds-born John Smeaton, known as the father of civil engineering.

Conceived by Leeds-based creative studio Foxglove, Smeaton300 is inspired by Smeaton's ground-breaking work developing tools and innovations for a better society. He left a critical legacy in infrastructure design, including bridges, canals, harbours, and lighthouses.

The Cultural Institute, in collaboration with the School of Civil Engineering, will be curating a series of engaging, research-inspired cultural events led by cultural producers on campus, as well as offering curriculum opportunities for students and a Smeaton300 Creative Lab.



Managing our risks

Effective risk management is synonymous with good management and good governance and is a key institutional tool helping us meet the aims set out in our new strategy.

Our risk management framework is based on the principles of ISO 31000 Enterprise Risk Management (ERM) and provides a structure that emphasises the involvement of all management levels and employees in the risk management life cycle. This improves decision-making, planning and prioritisation to support our objectives.

Council is ultimately responsible for risk management, but the Audit and Risk Committee acts on behalf of Council in overseeing those arrangements. At the executive level, risk management is the

responsibility of the University Secretary and Registrar, supported by the Director of Risk Management, whose office maintains the institutional risk register. Risks are monitored in committees and forums, with emerging and changing risks being brought to the attention of the University Executive Group (UEG) throughout the year. The Audit and Risk Committee ensures that key risks are being actively managed with appropriate strategies in place.

Faculty and professional services risk registers ensure that key operational risks are identified and managed by the appropriate functions within the University. All major programmes and projects have individual risk registers and risk assessment is incorporated into planning and decision-making processes. Internal audit supports this process and undertakes reviews of key areas throughout the year according to a rolling audit plan.

The University risk register is formally reviewed and updated annually by the Audit and Risk Committee and approved by the University Council. The risk commentary below has been narrowed from prior years to focus on major risks that are considered high priority to ensure the effective delivery of our strategic objectives.

Student Education Strategy

Objective	Risk	Mitigation
Student experience	Failure to engage students as partners in their education	<ul style="list-style-type: none"> Curriculum Redefined programme transforming and strengthening the portfolio New Student Engagement Strategy Partnership with the Leeds University Union to enhance student opportunities and a sense of community.
Outstanding education	Failure to provide an outstanding education	<ul style="list-style-type: none"> The Curriculum Redefined programme embraces new ways of teaching and creates a better learning environment for our students. Further investment in digital education Development of staff and student digital skills Campus Reimagined programme, including investment in smart campus technology
Student engagement	Inability to foster an engaged and lifelong community of students	<ul style="list-style-type: none"> Creation of a positive and inclusive student community with a clear sense of belonging Strengthening of our commitment to widening participation, retention and attainment

Research and Innovation Strategy

Objective	Risk	Mitigation
Research quality	Failure to further our reputation for high-quality challenge-led, interdisciplinary research	<ul style="list-style-type: none"> Full understanding of the true cost of research and the value that it generates Embedding practices to ensure we have a sustainable, quality-focused research model Creation of Futures institutes, developing recognised centres of excellence
Research income	Failure to enhance and diversify our research income and the impact it generates	<ul style="list-style-type: none"> Implementation of agile commercial models for working with business Increase in sustainability of research through a value-based costing model Partnership with investors to create more start-up and grow-on space and embed innovation and entrepreneurship
Institutional barriers	Inability to promote Leeds as a university without walls	<ul style="list-style-type: none"> Increase in the breadth and depth of partnerships across business and the public sector Encourage the flow of staff in and out of campus (eg by supporting secondments and joint appointments), between other venues and external opportunities Blending of local and global activity, creating a transformational approach with our partners

Digital Transformation Strategy

Objective	Risk	Mitigation
Digital ways of working	Inability to enhance digital ways of working, campus facilities and operations	<ul style="list-style-type: none"> Digitisation and automation of our processes, maximising hybrid working practices Transformation of our physical campus to use digital technologies effectively Use of digital technology and digital approaches to develop and enhance our communication and relationships with stakeholders
Digital capabilities	Failure to improve our digital capabilities	<ul style="list-style-type: none"> Provision of high-quality, flexible, secure, interoperable user-focused technology Establishment of institutional platforms for extended realities and artificial intelligence Increase in our use of open research practice, digital scholarship practices and use of digital approaches for publication, dissemination and impact activities
Digital education provision	Failure to enhance our digital educational provision and grow our fully online education portfolio	<ul style="list-style-type: none"> Exploration of opportunities from new and emerging digital technologies, embedding these in our pedagogical practice Growth of fully online education portfolio of online degrees, sub-degree qualifications and online short courses for globally distributed online and professional learners

International Strategy

Objective	Risk	Mitigation
Global partnerships	Failure to create global partnerships that provide international learning and research opportunities	<ul style="list-style-type: none"> • Introduction of International Strategy fund to deepen and broaden our research and educational partnerships globally • Creation of internationally relevant range of inclusive global study and flexible mobility opportunities • The Knowledge Equity Network facilitating open access to information to a global audience
International reputation	Failure to enhance our international reputation by extending our worldwide reach and delivering global impact	<ul style="list-style-type: none"> • Encouragement, recognition and reward for staff providing internationally collaborative, high-quality and impactful student education, research and innovation • Leadership of international networks of education and technology partners to drive digital transformation to meet the needs of diverse global learners

Enabling Strategy and our core functions

Objective	Risk	Mitigation
Cyber security	Failure to properly secure our IT infrastructure	<ul style="list-style-type: none"> • Establishment of Be Safe programme to transform our security operations, secure our digital identity and redesign network security • Deployment of market-leading cyber security technologies, with a dedicated team of cyber security professionals
IT infrastructure	Failure to improve our IT skills and capabilities to align with the needs of our strategy	<ul style="list-style-type: none"> • Investment in Digital Enablement programme to enable improvements in the IT organisation, skills, ways of working and accountability
Strategic change	Failure to lead and manage the substantial number of strategic programmes required to deliver the University strategy	<ul style="list-style-type: none"> • Establishment of a dedicated Transformation Office to support the breadth of change, with enhanced governance structures • Appointment of a third-party digital assurance partner for independent assurance and practical support on the technical aspects of these programmes
Funding and cost pressures	Inability to fund the required level of investment to implement the strategy	<ul style="list-style-type: none"> • Prioritising liquidity headroom for strategic project delivery • Utilise proven flexibility in our cost base for faculties and services • Potential to expedite income generating and efficiency related strategic projects

Industrial action	Failure to manage the impact of industrial action on our students	<ul style="list-style-type: none"> • Prioritisation of educational activity throughout periods of strike action • Progress on key issues related to pay, equality, fixed-term contracts and workload • Constructive meetings with local representations to end local continuous strike action
Staff and student mental health & wellbeing	Failure to prioritise, invest in, and evolve our support to facilitate the physical and mental health and wellbeing of our community	<ul style="list-style-type: none"> • Development and delivery of a broad package of health and wellbeing-focused packages of training • Investment in internal support services including occupational health and staff counselling, a new Employee Assistance programme and recruitment of a network of health and wellbeing champions
Climate Plan and Sustainable Development	Failure to meet our net zero commitments and to enable the University to fully realise its place in, value to, and positive impact on, society	<ul style="list-style-type: none"> • Establishment of our Climate Plan, aligned to the seven climate principles • Sustainable development strategy guided by the UN Sustainable Development Goals • Fostering and embedding a sustainable mindset throughout our core strategies and decision-making

Public benefit

Public benefit statement

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

We educate students so that 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.

The University's commitment to accountability, openness and transparency is outlined below.

Students

In 2022-23, almost 40,000 students benefited from 1,018 programmes, and more than 13,700 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. This is capped for UK home undergraduate students by the Higher Education and Research Act 2017 at £9,250.

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 2022-23, the University committed £19.1m 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, engaged with more than 500 schools.

Our contextual admissions schemes mean 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 over 10,000 staff and more than 11,200 postgraduate 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 2022-23, the University attracted research grant income worth £185m 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 61 countries around the globe.

Trade union facility time

Relevant union officials: total number of employees who were relevant union officials during the period 1 April 2022 to 31 March 2023.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
26	7.6

Percentage of time spent on trade union facility time: the number of employees, who were relevant union officials employed during the period 1 April 2022 to 31 March 2023, who spent the following percentage of their working hours on facility time.

Percentage of time	Number of employees
0%	1
1%-50%	22
51%-99%	1
100%	2

Maintaining standards

The University supports and upholds the principles articulated in the Concordat to Support Research Integrity and publishes an Annual Statement on Research Integrity. ris.leeds.ac.uk/wp-content/uploads/2023/05/Annual-Statement-on-Research-Integrity.pdf

Our **Code of Practice on Whistleblowing** sets out how we will handle complaints of suspected malpractice or impropriety.

Two allegations made this year are being investigated, one closed in August 2023 due to no prima facie case to warrant a formal investigation. The University operates a complaints procedure which provides for both informal and formal resolution of concerns about any aspect of a student's academic or pastoral experience.

Percentage of pay bill spent on facility time

Information requested	Figures
Total cost of facility time	£370,565.39
Total pay bill	£481,255,000
Percentage of the total pay bill spent on facility time	0.08%

Paid trade union activities: percentage of hours spent by employees, who were relevant union officials, during the relevant period on paid trade union activities.

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (Total hours spent on paid trade union activities by relevant union officials during the relevant period/ total paid facility hours) x100	27.22%
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Corporate governance

This statement covers the period 1 August 2022 to 31 July 2023 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 objects, and its 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 the minutes 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 the website.

The Council reviews annually the membership and terms of reference of its committees, to ensure that they remain appropriate and inclusive. During 2022-23, we recruited to fill two lay member vacancies.

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

- informal briefings ahead of Council business meetings on key areas of interest to give members time to gain insights and add value to their deliberations
- Council strategy away days to allow deeper consideration of aspects of the strategy
- deep-dive sessions undertaken by our Audit and Risk and Strategy and Investment committees. In addition to providing assurances on internal processes, these give members the opportunity to test and contribute to the implementation of the University strategy in greater detail
- refreshment of the terms of reference of the Senate boards, which now include monitoring areas of the strategy relevant to them and enabling the University community to link into strategy implementation
- the work of the Ethics and Values Committee in ensuring the University operates within the parameters of its values, which in turn helps to inform better decision-making across the university

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 (see page 48) 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.

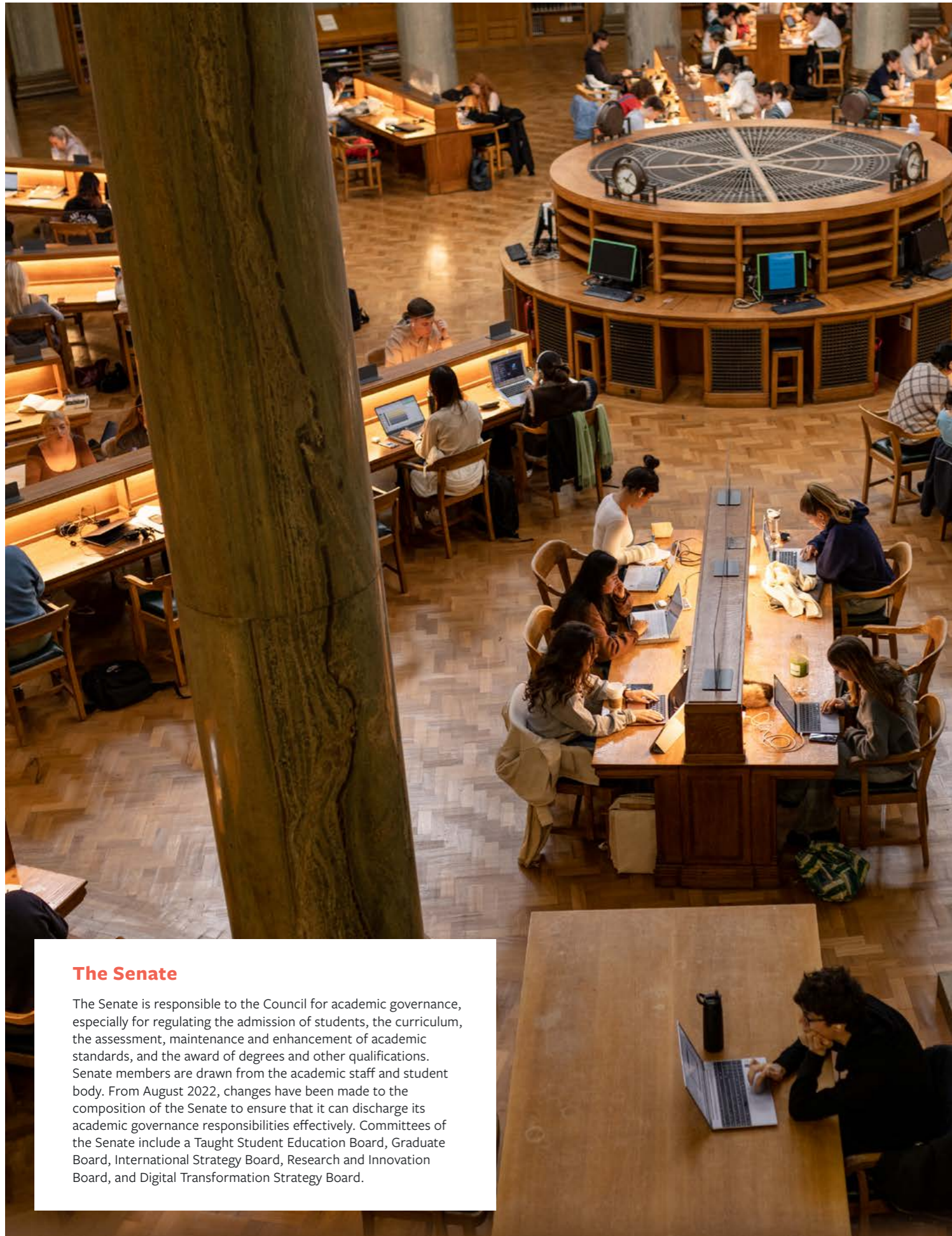
The Council had 22 members in 2022-23, the majority of whom are lay (neither employees nor students at the University), but also including representatives of staff and students. For the purposes of charity law, members of the Council are trustees of the University, and have regard to the Charity Commission's 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 at leeds.ac.uk/about/doc/about-governance. The Council normally has six business meetings and two away days each year.

Other responsibilities are delegated to committees and officers in accordance with a scheme of delegation, available on our website (secretariat.leeds.ac.uk/home/scheme-of-delegation).

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.

The University periodically commissions an external review of the effectiveness of its governance arrangements. The most recent review, undertaken by Advance HE during 2020-21, found that overall corporate governance was broadly effective at the University, 'enabled by well-established practices and processes, and delivered through a Council and wider governance structure that is generally fit for purpose'. The University refers to recommendations from this and other review activity to enhance its governance arrangements as part of a continuous improvement approach.

Mr Alastair Da Costa took up his role as the new Chair of Council on 1 August 2022. The Council had exercised its discretion to extend the term of office of the Deputy Chair of Council (Liz Barber) beyond the maximum period of continuous service for members of the Council of nine years. It was judged that the loss of her expertise would be detrimental to the University's best interests during transition to the new Chair. Ms Barber stepped down from membership of the Council and her role as Deputy Chair of Council at the end of the 2022/23 session after 10 years of service.



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. Senate members are drawn from the academic staff and student body. From August 2022, changes have been made to the composition of the Senate to ensure that it can discharge its academic governance responsibilities effectively. Committees of the Senate include a Taught Student Education Board, Graduate Board, International Strategy Board, Research and Innovation Board, and Digital Transformation Strategy Board.

University committees

The principal committees of the Council include:

The Audit and Risk Committee, chaired by Mr Iain Moffatt, 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 auditors.

The committee also:

- reviews the control and quality assurance of data returned to external authorities and is responsible for meeting the compliance demands of various agencies
- reviews aspects of the University's financial statements, including the audit report, the statement of primary responsibilities of the Council and the statement of internal control
- provides the Council with assurances, including compliance with the OfS conditions of registration, the terms and conditions of funding of the OfS and of Research England, as appropriate, and other key regulatory demands
- undertakes periodic deep dives into key areas of strategic risks
- considers and advises the Council on the appointment of the internal and external auditors, and annually monitors their performance and effectiveness

The Strategy and Investment Committee, chaired by Mrs Liz Barber, advises the Council on the development and implementation of the University strategy and on major investment, funding and borrowing decisions, including any significant changes to treasury policy. To help advise the Council on strategic direction, the committee

- receives regular reports from the University Executive Group
- considers the University's current risk appetite
- monitors agreed key performance indicators (KPIs)
- undertakes periodic review of the external environment and comparative performance against benchmarks
- reviews and helps to determine the investment envelope at any given time

During the year, adjustments were made to the terms of reference of both the Audit and Risk Committee and the Strategy and Investment Committee to reflect the reshaping of the respective committees' focus and clearer delineation of responsibilities in managing the key University risks.

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 considers the potential for improvements in governance. Following a review, changes were made to the committee's terms of reference in May 2023 to better reflect its overall governance role.

The Health and Safety 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 Ms 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. In doing so, the Committee has regard to the CUC's Higher Education Senior Staff Remuneration Code. The committee makes an annual report to the Council, which is publicly available.

The Ethics and Values Committee, chaired by Mrs Janet Sheriff, which met for the first time in February 2023, 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 integrity.

The Equality and Inclusion Board, chaired by the Vice-Chancellor and President, reviews the strategy and processes by which the University encourages good practice and innovation in securing equality and inclusion across all its activities.



The Court

The University Court serves as a symbol of the University's accountability to its many different stakeholder constituencies. The Court is empowered to ask questions about, and express an opinion on, any matter whatsoever concerning the University, and to convey such opinions to the Council.

Members of Court are widely drawn from the University community (Council members, staff, students, Life Fellows and alumni) and includes external stakeholders such as representatives from charitable foundations, local authorities and schools, University-affiliated and local educational institutions and the Trades Union Congress.

The Court is responsible for the appointment of the Chancellor and for the approval of the award of honorary degrees.

Senior officers and executive management

Vice-Chancellor and President, Professor Simone Buitendijk, is the Chief Executive and Senior Academic Officer of the University. As such, she exercises considerable influence on the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos.

She is formally responsible to the Council, within a prescribed framework, for the operational management of all aspects of the University's work. She is 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 University Executive Group (UEG) has formal terms of reference and includes the:

- Vice-Chancellor and President
- Provost and Deputy Vice-Chancellor (DVC)
- DVC: Research and Innovation
- DVC: Student Education
- Chief Financial Officer
- Chief Operating Officer
- University Secretary and Registrar
- Executive deans of faculties

The Vice-Chancellor and President delegates responsibility for specific aspects of the University's management to members of the 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.

Internal control

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.

This process has been in place for the year ended 31 July 2023 and up to the date of the approval of the audited financial statements.

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 auditors. 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 2022-23, the internal auditors believe the University's arrangements were generally satisfactory, with some improvements required.

We expect a number of improvements and enhancements to the internal control environment to result from the investment in digital programmes and systems transformation as discussed on page 56.

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

The Committee also 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.

Review of the system of internal control is also informed by the work of executive officers, who have responsibility for the development and maintenance of the internal control framework.

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 also responsible for ensuring that the financial statements are prepared in accordance with the University's Charter, the Statement of Recommended Practice 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 University has significant financial resources, a strong underlying financial performance, the flexibility to cope with reasonable financial pressures, and a longer-term financial forecast that underpins the delivery of a broader strategic plan.

This assessment draws upon the strong financial position at July 2023 and financial forecasts to 2028, which incorporate investment to support our ambitious strategic plan. At 31 July 2023 we had a total annual surplus of £71m (2022: deficit of £124m), cash and current investments of £478m (2022: £531m) and a target minimum cash level in our forecast period of £170m. Our forecasts show a trajectory to sustainable in-year surplus and cash generation targets, supported by an early period focused on investment. They include an assessment of the financial risks we face, including inflationary pressures. No additional borrowing or refinancing is planned across the forecast period. We have carried out scenario analysis to scope further risks and considered potential responses, including mitigations to support liquidity if required.

The Council is satisfied therefore that the University 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 2022–23

Member of Council		Attendance (6 business meetings + 2 away days)
Alastair Da Costa	Chair of Council	6+2
Professor Simone Buitendijk	Ex Officio (Vice-Chancellor and President)	6+2
Cordelia Rogerson	Lay member (representative of The Clothworkers' Company)	6+1
Liz Barber	Lay member and Deputy Chair of Council	5+2
Tom Clark	Lay member	4+0
Seb Elsworth	Lay member	4+2
Helen Grantham	Lay member	6+1
Iain Moffatt	Lay member	6+2
Yvette Oade	Lay member	6+2
Leyla Okhai	Lay member	4+1
Ken Sargison	Lay member	6+1
Janet Sheriff	Lay member	4+1
Tim Smith	Lay member	5+1
Rachel Tsang	Lay member	3+1
Bethan Corner	Student member	6+0
Maria Papageorgiou	Student member	4+1
Kendi Guantai	Staff member	4+2
Lauren Huxley	Staff member	4+2
Peter Jimack	Staff member	5+2
Simon Kelley	Staff member from 24 November 2022	4+1
Alice O'Grady	Staff member	5+0
Simon Thompson	Staff member	6+2

Notes

Maria Papageorgiou, Union Affairs and Communications Officer of Leeds University Union, was a member from 1 July 2022 to 30 June 2023. She was succeeded on 1 July 2023 by Emily Tabern.

The terms of office of Liz Barber and Simon Thompson ended on 31 July 2023. Heather Swanston, Kavita Singh and Peter Goldsbrough were appointed to membership of the Council from 1 August 2023.

Members of the University Executive Group 2022–23

Professor Simone Buitendijk	Vice-Chancellor and President (Chair)
Professor Hai-Sui Yu	Provost and Deputy Vice-Chancellor
Professor Jeff Grabill	Deputy Vice-Chancellor: Student Education
Professor Nick Plant	Deputy Vice-Chancellor: Research and Innovation
Jennifer Sewel	University Secretary and Registrar
Jane Madeley	Chief Financial Officer
Rachel Brealey	Chief Operating Officer
Professor Andrew Thorpe	Executive Dean, Faculty of Arts, Humanities and Cultures
Professor Karen Birch	Executive Dean, Faculty of Biological Sciences
Professor Julia Bennell	Executive Dean, Faculty of Business
Professor Nora de Leeuw	Executive Dean, Faculty of Engineering and Physical Sciences
Professor Selina Stead	Executive Dean, Faculty of Environment
Professor Mark Kearney	Executive Dean, Faculty of Medicine and Health
Professor Paul Johnson	Executive Dean, Faculty of Social Sciences



Statement of primary responsibilities of the Council

Within the framework laid down by the Charter and Statutes, the primary responsibilities of the Council are as follows:

Corporate strategy

Having regard to the interests of stakeholders:

- to approve or modify the University’s mission and objectives, the strategic and operational plans designed to secure those objectives (including academic, financial, physical, staffing and capital strategies), and the underlying values and principles that shape the work of the University
- to approve the University’s annual general revenue budget and the main features of the mechanisms for allocating resources within that budget; and to ensure that the University remains solvent and that, taking one accounting period with another, its total expenditure is not greater than its total income
- to take steps to ensure that all individuals within the University are treated fairly, with dignity and respect, that the opportunities the University provides are open to all, and that the University provides a safe, supportive and welcoming environment for staff, students and visitors. It should make such provision as it thinks fit for the general welfare of students, in consultation with the Senate, and initiate remedial action in the event of a systematic failure within the institution to respond adequately to a deterioration in the University’s performance, management or reputation

Corporate policies

To exercise overall responsibility for the wellbeing of staff and students, for the education of students, and for the University’s assets, property and estate, and specifically:

- as the employing authority for all staff within the institution, to approve or modify the main features of the University’s employment policies and procedures
- to approve or modify the University’s policy on health and safety, and other significant University policies and to satisfy itself that arrangements are in place for the implementation of those policies
- to review annually a report from the Senate on the assurance of the quality of the education provided to the University’s students
- to approve major projects and business proposals, including any projects or proposals with a value of over £3m (or £5m in respect of the University’s estate) and any proposals for educational provision overseas
- to approve the annual statement of accounts
- to act as trustees for, or to make appropriate alternative arrangements for the trusteeship of, any property, legacy, endowment, bequest or gift in support of the work and welfare of the University

Operational management and systems

To approve or modify the main features of the University’s overall governance and management structures, its systems of risk management, internal financial management and control and accountability, and its financial regulations and procedures, and in that regard:

- to approve or modify the overall constitutional and organisational structure and shape of the University, including, subject to the approval of the Privy Council, amendments to the Charter and Statutes
- to ensure that systems are in place for meeting all the University’s legal obligations, including those arising from contracts and other commitments made in the University’s name
- to direct the form, use and custody of the common seal
- to appoint the Vice-Chancellor and, where necessary, to propose his or her removal from office in accordance with the provisions of Statute VII
- to make nominations to the office of Chancellor
- to appoint the Pro-Chancellor and Deputy Pro-Chancellors
- to appoint and, where appropriate, remove from office, Deputy Vice-Chancellors and Pro-Vice-Chancellors
- to appoint and, where appropriate, remove from office, the Secretary to the Council, to safeguard the Secretary’s ability to carry out the responsibilities of that office, and, having regard to any other managerial responsibilities undertaken by the Secretary, to ensure an appropriate separation in the lines of accountability
- to appoint lay members of the Council
- to remove members of the Council on the basis set out in Statute II

- to ensure that University business is conducted in accordance with best practice in corporate governance within higher education, and with the principles of public life laid down by the Committee on Standards in Public Life
- to ensure that funds provided by the OfS and Research England are used in accordance with their respective terms and conditions
- to ensure that reasonable arrangements are in place to safeguard the good name and values of the University, to ensure compliance with the University’s constitution and to manage risk
- to ensure that proper books of accounts are kept, to appoint the University’s external and internal auditors and the University’s bankers, and to approve the University’s banking mandates
- to establish and, as necessary, review procedures for handling internal grievances and for managing conflicts of interest
- to approve or to amend, as necessary, the terms of the trust deeds of any University trusts
- to determine the basis on which any of the Council’s functions shall be delegated to committees and individuals, and thereafter to satisfy itself as to the proper and effective discharge of any delegated functions

Monitoring of institutional performance

To monitor and evaluate the performance and effectiveness of the University against approved plans, KPIs agreed by the Council and benchmarking data for comparable institutions, and:

- to monitor the progress of major business projects
- to confirm that the performance of the Vice-Chancellor and other executive officers is systematically monitored against institutional objectives and plans
- to establish processes to monitor and evaluate the performance and effectiveness of the Council itself



Financial review

Chief Financial Officer's Report

Overview

Despite the significant economic and inflationary pressures that we were facing early in 2022/23, we end the year in a more favourable financial position than we anticipated at the start. The high utility prices we had planned for eased sooner than we had expected which, combined with higher interest rates for our cash and short-term investments and a significant philanthropic donation, meant that we could protect our critical strategic investment plans as intended, as well as delivering a £43m underlying operating surplus (2021/22: £60m) before movement in the Universities Superannuation Scheme (USS) provision.

“Research income also continued to grow, rising from £177m in 2021/22 to £185m.”

Total income has grown to £985m, which is 6% higher than 2021/22. Tuition fee income grew by 1% to £507m but underlying tuition fee income growth was 9%, taking into account the deferred income benefit in 2021/22 of the January 2021 postgraduate cohort (£33m), primarily the result of further increases in international student numbers. Research income also continued to grow, rising from £177m in 2021/22 to £185m. Donation income includes a single donation of £11m, which will be expended over the next six years but has been recognised in full in the 2022/23 accounts.

We are still feeling the impacts of the energy crisis and the global upheavals caused by the war in Ukraine. Inflation remained in double digits and, whilst we saw a softening of energy prices, they remained high during the year. These wider economic pressures were reflected in our total expenditure of £942m (excluding the USS provision movement). Overall expenditure was 8% higher than in 2021/22 and reflected a further step up in strategic investment and increased staff recruitment.

6% increase

in total income (from 2021/22 to 2022/23)

Chief Financial Officer's Report *continued*

	2022/23 £'000	2021/22 £'000	Change %	Change £'000
Summary				
Total income	985,279	929,535	6%	55,744
Expenditure (excluding movement on USS provision)	(942,387)	(869,383)	8%	(73,004)
Underlying operating surplus ¹	42,892	60,152	(29)%	(17,260)
USS provision movement	29,934	(179,569)	(117)%	209,503
Operating surplus/(deficit)	72,826	(119,417)	(161)%	192,243
Other items ²	(2,148)	(4,805)	(55)%	2,657
Surplus/(deficit)	70,678	(124,222)	(157)%	194,900
Actuarial gain	54,089	161,935	(67)%	(107,846)
Total comprehensive income	124,767	37,713	231%	87,054

Tuition fee and education contracts				
Home students	198,993	214,930	(7)%	(15,937)
International students	276,412	259,951	6%	16,461
Other fees, incl NHS teaching contract	31,806	25,630	24%	6,176
	507,211	500,511	1%	6,700

Funding body grants				
Recurrent grants	94,357	82,846	14%	11,511
Specific grants	12,645	12,390	2%	255
	107,002	95,236	12%	11,766

Research grants and contracts				
Research councils, UK charities and government	148,561	141,632	5%	6,929
Industry, overseas and other	36,359	35,665	2%	694
	184,920	177,297	4%	7,623

1. Underlying operating surplus/(deficit) is a non-statutory performance measure based on operating deficit less the USS provision movement.

2. Other items include; realised gains/(losses) on disposal of non-current assets, unrealised gains/(losses) on investments, share of operating surpluses/(deficits) in joint ventures, share of operating surpluses/(deficits) in associates and taxation.

Chief Financial Officer's Report *continued*

	2022/23 £'000	2021/22 £'000	Change %	Change £'000
Capital expenditure				
Externally funded	(17,930)	(16,946)	6%	(984)
University funded	(34,365)	(19,989)	72%	(14,376)
	(52,295)	(36,935)	42%	(15,360)

Cash and current investments and borrowings				
Cash and current investments	478,025	531,107	(10)%	(53,082)
Borrowings*	(324,164)	(326,562)	(1)%	2,398
	153,861	204,545	(25)%	(50,684)

*Excludes finance lease obligations and service concession arrangement liabilities.

The overall level of capital expenditure in 2022/23, including tangible and intangible assets, remained modest at £52m (2021/22: £37m) compared to the pre-pandemic period. In the short-term transition to our new strategy, investment is deliberately focused on supporting critical IT infrastructure and new enabling and academic strategic programmes, where most expenditure will not be capitalised. In the next year we expect to see an increase in capital expenditure levels as we move forward with major capital schemes to support our ambitious net zero plan.

We continue to operate in a period of significant geopolitical and economic uncertainty, with inflation and interest rates still running significantly higher than levels in recent years. In the UK, political discourse is increasingly dominated by the forthcoming general election. Sector bodies are active in briefing all parties about the

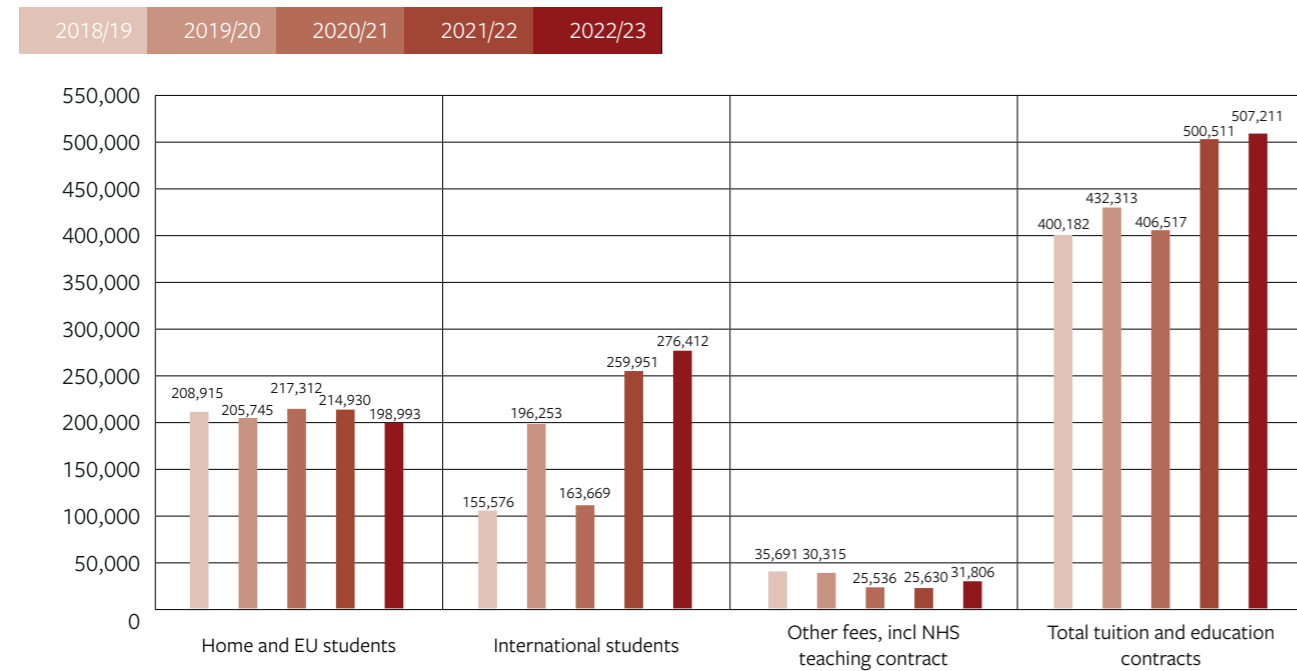
financial resilience challenges faced by higher education, with the lack of an inflationary uplift to home undergraduate fees since 2017 causing significant financial pressures for all parts of the sector. Against this political and economic backdrop, we will continue to anticipate, monitor and manage emerging risks to our financial position, whilst prioritising our liquidity headroom for delivering projects that are critical to our University strategy.

Funding body grants

Funding council grant income increased by 12% to £107m. This includes an increase in quality-related (QR) funding which reflects both our strong research power performance and a general uplift in QR funding from government. We also received £8m of additional in-year QR and capital funding from Research England.

Chief Financial Officer's Report *continued*

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



Tuition fees and education contracts

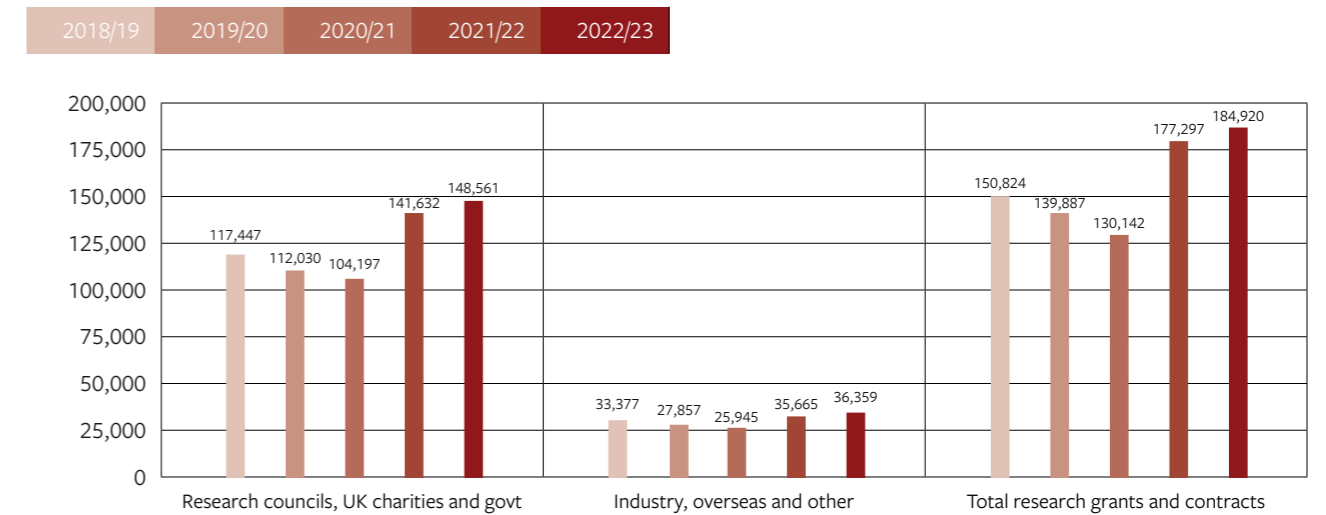
Income from tuition fees and education contracts was £507m, an increase of 1% from 2021/22. 2021/22 tuition fee income benefited from £33m of deferred income from postgraduate taught students from the January 2021 intake, which was offered to students to mitigate against international student recruitment risk resulting from the pandemic. Underlying growth in tuition fees was 9%, having adjusted for the one-off deferred income benefit in 2021/22.

Fee income from home students fell by 7% (£16m) compared to last year. This reflected a planned reduction in undergraduate numbers, following a high intake in 2021/22, together with a reduction in postgraduate taught student numbers – a trend seen across the sector.

International fee income increased by £49m (22%), when adjusted for the one-off deferred income benefit in 2021/22. International recruitment was strong for both undergraduates and postgraduates, with total international student numbers increasing by 13% to 13,750.

Chief Financial Officer's Report *continued*

Research grants and contracts income over five years (£'000)



*2019/20 and 2020/21 research grant income was adversely impacted by delays due to COVID-19.

Research grants and contracts

Research income of £185m was £8m (4%) higher than last year, reflecting continued growth following our recovery from the pandemic. New research awards are the lead indicator measure of research performance and were strong at £190m (2021/22: £177m), creating a healthy pipeline of research grant income for future years.

Our largest award this year was £12.9m from the National Institute for Health and Care Research (NIHR) to the Faculty of Medicine and Health to extend the NIHR Leeds Biomedical Research Centre (BRC) for a further five years. The BRC has focused on providing individually targeted, cost-effective therapies that improve the lives of those living with musculoskeletal disease. This funding strengthens the successful musculoskeletal research partnership between the University of Leeds and the Leeds Teaching Hospitals NHS Trust. This project was one of 44 projects awarded to the University by NIHR in the last year, with awards from this funder totalling over £23m.

UK Research and Innovation (UKRI) continues to be our biggest funder of research. The University received 43 new awards totalling over £23m from EPSRC, including our second largest award of £4.7m to the Faculty of Engineering and Physical Sciences for combining advanced materials for interface engineering, a project looking at finding new ways to store, manipulate and transport information, based on a unique approach to materials integration and interface control. EPSRC has also awarded £2.1m to the Faculty of Arts, Humanities and Cultures to set up INCLUSIVE Digital Economy Network+. The project is supported by a wealth of partner organisations, including the International Labour Organisation, the Law Commission, the Cabinet Office, and the Equality and Human Rights Commission.

An international team led by the National Centre for Atmospheric Science (NCAS) and the University of Leeds has been awarded £1.9m by the Met Office to transform access to early weather warning systems for communities in South Africa, Zambia and Mozambique.

£185m

in research income (4% higher than last year)

The Leeds Cancer Research UK Clinical Trials Unit (CTU) received a prestigious infrastructure award of £3m from Cancer Research UK.

The UKRI Guarantee Fund has allowed continued engagement with our EU collaborators, funding our participation in Horizon Europe instruments during the period of non-association. The University has received 36 awards totalling £18m and we are expecting further grants to be awarded through the UKRI Guarantee Fund shortly. The University welcomes the newly signed deal which allows the UK to officially rejoin the Horizon Europe programme, which will mean that UK-based researchers will have instant access to Horizon Europe projects on the same terms as when the UK was a member of the European Union.

Chief Financial Officer's Report *continued*

Other income

Other income, including other operating income, investments, donations and endowments, was £30m, 19% higher than last year. This was primarily due to higher investment income resulting from the higher interest rates during the year combined with continued high cash and short-term investment levels. Donation income also increased and included an £11m single donation mentioned earlier in this report.

In 2022/23 philanthropic giving to the University increased by £1m, with new funds raised amounting to £18m (including a £11m single donation detailed below) from 2,911 donors. With ambitious growth plans for philanthropic funding underpinning the University strategy, 2022/23 has been a year when the Development team has focused on foundational work, including recruitment of fundraising staff, development of priority projects, and working with colleagues to support institutional philanthropic growth. The Philanthropy Steering Group, chaired by the Vice-Chancellor and President, provides advocacy and active support to the Development team in its work.

Our work to attract transformational gifts (£1m+) has continued in a positive vein, this year including the University's first eight-figure donation. We have raised 40 major gifts of between £25k and £1m, and expect to increase gift volumes at this level over the next two years, as gift opportunities are confirmed for the new fundraising projects, and new fundraisers establish relationships with potential individual and organisational donors. Our regular and leadership giving programmes, for gifts under £25k, have performed strongly, with 1,554 new gifts contributing £1m for scholarships and student-focused projects.

Notable gifts this year include:

- A commitment of £11m to establish the Cheney Biomedical Accelerator. This gift to support capital developments and PhDs will strengthen cross-faculty working between Medicine and Health and Biological Sciences, creating a hub for biodiscovery and translation and a new platform for collaboration with industry.
- A £0.4m gift in kind – a Paolozzi sculpture which is now installed outside the Edward Boyle Library.
- An award of £0.44m from the Lloyds Register Foundation to support research into effective strategies for disaster risk communication and impact mitigation for severe weather events.
- Funds to provide 142 undergraduate and 67 postgraduate scholarships for students from less advantaged backgrounds.

Expenditure

Staff costs (before the movement in the USS provision) of £488m were 5% higher than last year (2021/22: £463m). The growth reflects the combination of pay awards, new recruitment to support delivery of our strategy, as well as growth in core academic delivery. These increases were partly offset by lower pension charges across both of our main schemes, which are described further in Pensions below.

Other operating expenditure (including depreciation and impairment) increased by 10% year on year to £434m (2021/22: £394m). The increase was driven by investment in external resources to support delivery of strategic programmes, increased expenditure on travel as levels of travel continued to return to pre-pandemic levels, and growth in research expenditure.

Energy prices remained high throughout the year. Following a £20m cost increase in 2021/22, costs remained at a similar level in 2022/23, although we did see signs of prices softening in the second half of the year. Our current expectation is that energy costs will continue at a similar level in 2023/24.

Interest and other finance costs increased by £8m to £21m. This primarily reflected higher interest charges associated with the USS pension scheme deficit recovery provision (see Pensions below).

Investment priorities

As reported in previous years, we embarked on a major new investment and transformational programme in 2021 with a series of programmes that will be critical to the successful delivery of our 2020–2030 strategy. By the year 2026/27, expenditure will total in excess of £680m. The projects and programmes align to at least one of the following themes: generation of new income, enhancement of productivity, provision of key enabling infrastructure and advancement of our net zero ambition. In 2022/23 our total expenditure across these themes was £61m, and was focused on the Digital Enablement, the Be Safe and the Curriculum Redefined programmes, described earlier in this report, together with our Corporate Processes and Systems and Student Lifecycle programmes. Expenditure in these areas will continue to be significant in 2023/24, along with the Digital Transformation programme.

We also have important capital investment priorities. 2022/23 saw initial capital spend on our net zero programme and the digital development of our campus. These initiatives will mobilise further in 2023/24 and will be major priority areas for our capital investment for the remainder of this decade.

Chief Financial Officer's Report *continued*

Pensions

These financial statements reflect the results of the 2020 actuarial valuation for the Universities Superannuation Scheme (USS) which showed a significant increase in the funding deficit from £3.6bn to £14.1bn. The total employer contribution rate is 21.6% and includes a deficit recovery contribution of 6.2% from April 2022, increasing to 6.3% from 1 April 2024 to 30 April 2038. This recovery plan was designed to recoup the deficit that existed at 31 March 2020 over a period slightly more than 18 years from the 2020 valuation date.

FRS 102 and the HE SORP require that universities recognise a provision for the present value of payments to be made under the existing deficit recovery agreement for USS. The provision has reduced to £241m as a result of a higher discount rate being applied (2021/22: £277m). The £30m movement in the provision is recorded as a reduction in staff costs, but the commentary in this report focuses on the underlying operating result before this movement in the USS provision.

The cost of USS contributions within the underlying operating result has reduced in 2022/23, because a higher proportion of the employer contributions is charged to the deficit recovery provision. Offsetting this, we have recorded higher interest charges due to the significant increase in the value of the deficit recovery provision at 2021/22 year end.

The 2023 valuation is close to completion and shows an improved funding position given the changes to market conditions, with the scheme now expected to report a surplus of c£7.4bn. We anticipate, therefore, that contribution rates will be revised, with the employer contribution rate falling to 14.5% from January 2024. There is no impact to the 2022/23 accounting as a result of this and we anticipate that within 2023/24 there will be no requirement for a deficit recovery provision and the level of contributions will fall.

The University of Leeds Pension and Assurance Scheme (PAS) has reported, for accounting purposes, an increase in surplus to £114m (2021/22: £62m), which has been recognised on the balance sheet. As a consequence of the return to a surplus in 2021/22, it was agreed with the trustees that we will maintain employer and employee contributions at the existing level for now, but review the situation at the completion of the March 2023 valuation, which is ongoing.

Although ongoing contribution rates for the PAS scheme have not changed, the service cost has reduced (calculated on an actuarial basis) due to higher discount rates, which is reported within staff costs in the underlying operating result.

The statement of comprehensive income and expenditure includes an actuarial gain of £54m, mainly owing to a reduction in the value of the liabilities caused by an increased discount rate from the rise in corporate bond yields.

Balance sheet

Our balance sheet remains healthy, and our strong liquidity position provides a cushion against the immediate and medium-term impacts of high inflation and other risks, giving us confidence to continue with our ambitious investment plans in support of our strategy.

Operating cashflow fell from £104m in 2021/22 to £36m in 2022/23, which is mainly due to an adverse working capital movement where balances have returned to normal levels following the COVID-19 period, combined with an increase in USS pension deficit recovery payments and a fall in underlying operating surplus.

Year on year, net assets increased by £124m to £895m, driven largely by the underlying operating surplus of £43m in the year and the significant pension movements of £85m noted above.

The net book value of tangible and intangible assets (including heritage assets) has decreased by £21m to £924m, due to relatively low levels of capital spend and offset by depreciation of £66m and impairment charges of £3m.

£895m

Net assets

The University retained £478m of cash and current investments at 31 July 2023, of which £285m was held in four separate money market funds, £101m was held in a cash plus fund, £80m was held in short-term deposits and the remaining £12m was held on call. Further accessible investments of £65m are held with the intention of long-term growth and supporting the repayment of the bond in 2050.

Chief Financial Officer’s Report *continued*

In addition, we hold a £100m revolving credit facility which was put in place during 2020 as part of our financing strategy to establish a liquidity risk buffer to offset our worst-case COVID-19 downside scenarios. We expect this to lapse during 2023/24 and will not be renewed as these scenarios have thankfully not materialised.

Moody’s issued an updated credit opinion on the University of Leeds in November 2023, confirming the existing rating of A1 with a stable outlook. The rating reflects our strong market position, resilient student demand and solid financial performance, coupled with strong financial management. It also takes into account the strong regulatory framework of the English higher education sector and the high likelihood of extraordinary support from the government in the event of acute liquidity stress.

After a significant increase in unrestricted reserves and standard loan repayments of £4m this year, the gearing ratio has reduced significantly at 31 July 2023 to 44% (2021/22: 51%).

The value of our endowment portfolio fell by £4m to £83m (2021/22: £87m) over the year and we experienced negative returns in many of our asset classes, including fixed income, property and alternative investments, reflecting volatility in global markets.

In October 2022 we moved to Sarasin’s ‘Tomorrow’s World’ investment strategy for our endowment portfolio, which invests in purposeful institutions which aim to solve social and environmental problems profitably without causing further harm to people or the planet. We remain confident that our investment return target of CPI +4% will be achieved over the long term and ongoing projects benefited from a distribution of £2.6m in the year.

Conclusion

In a year when we had to absorb significant headwinds in the form of continued high inflation and utility prices we are pleased to end it reporting that we have generated a £43m underlying operating surplus (before USS movement), that we continue to hold a significant cash and short-term investments balance, and our balance sheet has seen improvements relating to our two main pension schemes. The combination of these factors means that we continue to have a strong balance sheet behind us, and we have again shown our ability to respond and mitigate against economic and financial pressures.

Our strategy is set, our investment plans have commenced and, through monitoring our performance against the ambitious suite of KPI’s we have designed, we will be able to ensure we are on track to deliver against the strategy or identify if corrective action is required. Delivering the benefits from the strategic programmes we are investing in will be critical to reaching a recurrent sustainable surplus level over time and this will allow us to embark on the campus re-imagined capital plan that we are now developing. In addition, the investments we are making will create a sustainable platform to transform the way we achieve excellence in research, education and student experience in a digitally transformed world, as well as help reshape and rebuild our campus to deliver on our 2030 net zero objectives.

Jane Madeley, Chief Financial Officer



Independent Auditor’s Report to the members of the University of Leeds

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of the 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 2023 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 33
- the Supplemental Schedule (note 34), 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.

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 matters that we identified in the current year were: <ul style="list-style-type: none"> • Capitalisation of expenditure • Valuation of pension scheme liabilities
Materiality	The materiality that we used for the Group financial statements was £11.7m (2022: £11.1m) which was determined on the basis of 1.2% of total income (2022: 1.2% of total income).
Scoping	A full scope audit was performed on the University covering 99% of the Group’s total income (2022: 99%), and 100% of the Group’s total net assets (2022: 100%).
Significant changes in our approach	There are no significant changes in our audit approach this year.

Independent Auditor’s Report to the members of the University of Leeds *continued*

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 fixed asset expenditure

Key audit matter description	<p>The Group recognised a total of £46.2m (2022: £35.6m) of additions to property, plant and equipment and assets under construction in the year ended 31 July 2023, as disclosed in note 13 to the financial statements. These additions predominantly relate to new academic facilities and infrastructure improvements. The Group recorded in expenditure £44.1m (2022: £37.4m) related to estate repairs and equipment repairs and maintenance, as disclosed in note 9.</p> <p>Judgement is applied in determining whether expenditure is capital in nature under the definitions of capital spend within FRS 102, or should be expensed. This judgement gives rise to the potential for manipulation and bias, which could result in overstatement of capital items on the balance sheet and/or overstatement of items expensed in the income and expenditure statement which are in fact capital in nature. Therefore, we consider this to be a risk of material misstatement due to fraud.</p> <p>Details of the accounting policies applied are set out in the statement of accounting policies note 13. Further information is in the annual report on pages 45 and 53.</p>
How the scope of our audit responded to the key audit matter	<p>To address the risk that fixed asset expenditure is either inappropriately capitalised or expensed, our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of management’s process and the relevant controls over the capitalisation of fixed 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 • Testing a sample of additions to fixed assets to supporting documentation and physical verification, and assessing management’s judgement that these specific additions represented capital items • Testing a sample of equipment purchases and maintenance, and estate repairs and maintenance, to supporting documentation, and assessing management’s judgement that these specific expenses represented expenditure items that should not have been recognised on the balance sheet

Independent Auditor’s Report to the members of the University of Leeds *continued*

5.1. Capitalisation of fixed asset expenditure *continued*

How the scope of our audit responded to the key audit matter <i>continued</i>	<ul style="list-style-type: none"> • Assessing the appropriateness of the related disclosures in note 13 to the consolidated financial statements
Key Observations	<p>We are satisfied that the capitalisation of fixed asset expenditure is appropriate and items which have been recorded in expenditure relating to fixed assets do not meet the capitalisation criteria.</p>

5.2. Valuation of pension scheme liabilities

Key audit matter description	<p>The Group is party to two defined benefit pension arrangements, both of which have material pensions liabilities. These are the Universities Superannuation Scheme (USS) and the University of Leeds Pension and Assurance scheme (PAS).</p> <p>The audit of the associated pension scheme obligations requires the assessment of significant estimates made by the University and takes a significant amount of audit effort. For these reasons we identified this area as a key audit matter.</p> <p>The USS scheme is a multi-employer scheme with a large deficit in the 2020 valuation, the most recent valuation in effect at the balance sheet date. The latest recovery plan includes deficit contributions, which must be accounted for similarly to an onerous contract, with a liability recognised for the net present value of the future deficit payments. The pension obligation for the USS pension deficit recovery plan (note 24) has decreased from £277.4m at 31 July 2022 to £241.3m at 31 July 2023.</p> <p>Consistent with the previous year the macroeconomic environment makes the provision sensitive to changes in assumptions, and there continues to be a greater degree of uncertainty associated with key assumptions, in particular the pay rise assumption due to the current high levels of inflation and resultant cost of living crisis. We have therefore identified this pay rise assumption as a significant audit risk of material misstatement due to potential error. The provision is estimated by the University based on the guidance and models provided by the British Universities Finance Directors’ Group (BUFDG).</p>
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Key audit matter description <i>continued</i>	<p>The PAS scheme is a defined benefit pension scheme. As at 31 July 2023 it is in a net surplus position of £114.5m (31 July 2022: £62.4m) with gross liabilities of £408.2m (31 July 2022: £500.0m), as disclosed in note 32 to the financial statements. There is significant estimation in the valuation of pension obligations, particularly in relation to determining the key assumptions including discount rate, inflation rates and demographic assumptions. There is also judgement applied in the recognition of the surplus on the balance sheet.</p> <p>Details of the accounting policies applied are set out in the statement of accounting policies note 7. The valuation of the pension scheme liabilities is a key source of estimation uncertainty as set out in the statement of accounting policies note 23. Further information is in the annual report on page 57.</p>
How the scope of our audit responded to the key audit matter	<p>To address the risk that the pension scheme liabilities are inappropriately valued, our procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of management’s process and the relevant controls over the determination of the significant assumptions used in calculating the liability for both the USS and PAS schemes • Performing detailed sensitivity analysis to assess the impact of key assumptions in finalising our risk assessment procedures • With the involvement of our actuarial specialists we assessed the actuarial assumptions adopted by the Group in valuing both the USS and PAS pension scheme liabilities • With the involvement of our actuarial specialists we have evaluated the appropriateness of recognising the PAS scheme surplus • In respect of the USS model, testing the mechanical accuracy of the model applied and evaluating the methodology and rationale for the adjustments made to the model to reflect University’s specific circumstances

Independent Auditor’s Report to the members of the University of Leeds *continued*

5.2. Valuation of pension scheme liabilities *continued*

How the scope of our audit responded to the key audit matter <i>continued</i>	<ul style="list-style-type: none"> Specific to the significant risk identified on the pay rise assumption in the USS pension obligation model, assessing the reasonableness of management’s pay inflation estimates, including examining the accuracy of past estimates, considering the consistency of these estimates with other forecasts, plans within the University and the latest pay negotiation outcomes, and performing benchmarking procedures comparing management’s estimate to external inflation forecasts Considering the appropriateness of the Group’s disclosures, in particular with reference to the requirements relating to estimation uncertainty
Key Observations	We are satisfied that the valuation of pension scheme liabilities and the related disclosures are appropriate. In respect of the pay rise assumptions used in the calculation of the USS pension obligation we are satisfied that they are reasonable and supportable.

6. Our application of materiality

6.1. Materiality

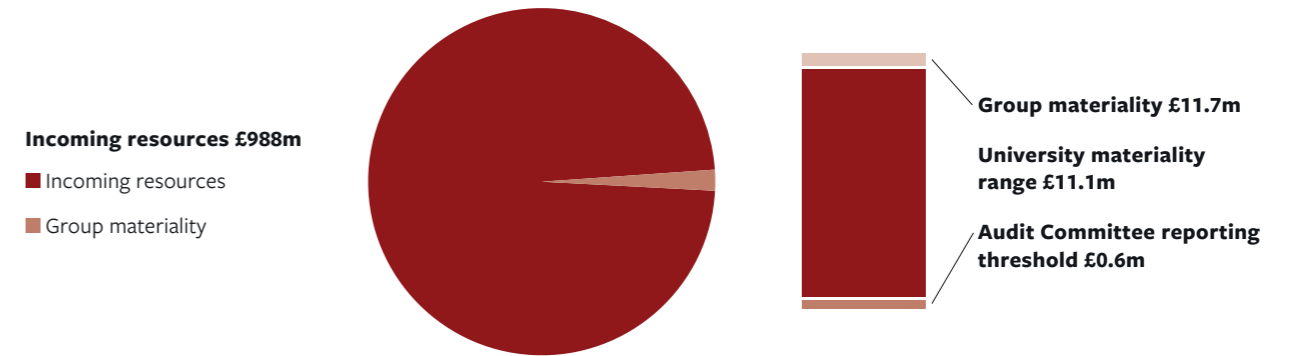
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our 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	£11.7m (2022: £11.1m)	£11.1m (2022: £10.5m)
Basis for determining materiality	1.2% of total income (2022: 1.2% of total income)	University materiality equates to 1.1% of total income (2022: 1.1% of total income), which represents 95.0% of Group materiality (2022: 94.3%)
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 the 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 (2022: 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% (2022: 5%) of the total expenditure £17.7m disclosed in that note (2022: £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.

Independent Auditor’s Report to the members of the University of Leeds *continued*



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% (2022: 65%) of Group materiality	70% (2022: 65%) of University materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> 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 misstatements corrected and/or uncorrected in the previous audit lack of any significant changes in the entity and sector sector; and the level of turnover of management and key accounting personnel. 	

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 (2022: £0.5m), 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.

Independent Auditor's Report to the members of the University of Leeds *continued*

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 audit, including audit of the consolidation, the University, the subsidiaries, joint ventures and associates, is performed primarily at the University of Leeds.

At the Group level, we also tested the consolidation process. A full scope audit was performed on the University covering 99% of the Group's total income (2022: 99%), and 100% of the Group's total net assets (2022: 100%) by the Group audit team. There have been no significant changes in our scoping compared to prior year.

7.2. Our consideration of the control environment

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

Our controls approach focussed on the obtaining an understanding of relevant controls relating to capitalisation of fixed asset expenditure, the USS pay inflation estimate and financial reporting.

We did not plan to take a controls reliance approach on any balance or business cycle this year, reflecting the ongoing system transformation and improvement through the Corporate Processes & Systems Programme as outlined in the Audit and Risk Committee discussion of the control environment in the report commencing page 45.

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. In particular we have considered management's "pathway to net zero by 2030" assessment, as outlined on page 9. 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. As disclosed on page 81, management believe that the medium term financial reporting risk is primarily physical and is likely to result in reassessment of useful economic life and potentially impairment in the future once the roadmap to net zero is finalised. Management considers that the impact of climate change does not 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 pages 9 and 20 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 at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Independent Auditor's Report to the members of the University of Leeds *continued*

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:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - o the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and relevant internal specialists, including pensions, Tax 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 fixed asset expenditure. 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 capitalisation of fixed assets expenditure 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 documentation 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 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
- 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.

Independent Auditor's Report to the members of the University of Leeds *continued*

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 the 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

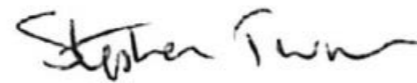
Following the recommendation of the Audit and Risk Committee, we were appointed by the Council in April 2004 to audit the financial statements for the year ending 31 July 2005 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 19 years, covering the years ending 31 July 2005 to 31 July 2023.

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 25 October 2019. 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 as a body, 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
30 November 2023



Financial statements

for the year ended 31 July 2023



Consolidated and University statement

of comprehensive income and expenditure

for the year ended 31 July 2023

	Notes	2022/23		2021/22	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	507,211	505,840	500,511	499,336
Funding body grants	2	107,002	107,002	95,236	95,236
Research grants and contracts	3	184,920	184,920	177,297	177,297
Other income	4	148,303	143,776	142,431	138,648
Investment income	5	22,785	22,939	3,374	3,447
Donations and endowments	6	15,058	15,058	10,686	10,686
Total income		985,279	979,535	929,535	924,650
Expenditure					
Staff costs excluding movement in USS deficit funding liability	7	487,768	483,947	463,115	459,807
(Decrease)/increase on USS provision	24	(29,934)	(29,934)	179,569	179,569
Total staff costs		457,834	454,013	642,684	639,376
Other operating expenses	9	364,046	361,991	326,080	324,190
Depreciation and amortisation	12,13	66,769	66,261	64,585	63,970
Impairment of tangible and intangible assets	12,13	3,195	3,195	3,125	3,125
Interest and other finance costs	8	20,609	20,588	12,478	12,444
Total expenditure	9	912,453	906,048	1,048,952	1,043,105
Operating surplus/(deficit)		72,826	73,487	(119,417)	(118,455)
Realised losses on disposal of non-current assets		(31)	(31)	(2,613)	(5,963)
Unrealised losses on investments		(2,763)	(2,763)	(1,774)	(1,774)
Share of operating (deficits)/surpluses in jointly controlled entities		(153)	—	30	—
Share of operating surpluses/(deficits) in associates		288	—	(276)	—
Surplus/(deficit) before tax		70,167	70,693	(124,050)	(126,192)
Taxation credit/(charge)	11	511	(227)	(172)	(142)
Surplus/(deficit) for the year		70,678	70,466	(124,222)	(126,334)
Actuarial gain in respect of pension schemes	32	54,089	54,089	161,935	161,935
Total comprehensive income for the year		124,767	124,555	37,713	35,601
Represented by:					
Endowment comprehensive expense for the year		(4,290)	(4,290)	(3,011)	(3,011)
Restricted comprehensive income for the year		11,580	11,580	2,780	2,780
Unrestricted comprehensive income for the year		117,477	117,265	37,944	35,832
		124,767	124,555	37,713	35,601

All items of income and expenditure relate to continuing activities.

Consolidated and University statement of changes in reserves

for the year ended 31 July 2023

Consolidated	Income and expenditure account			Total	
	Notes	Endowment £'000	Restricted £'000		Unrestricted £'000
Balance at 1 August 2021		90,457	13,776	627,967	732,200
(Deficit)/surplus from the statement of comprehensive income and expenditure		(3,011)	2,780	(123,991)	(124,222)
Other comprehensive income	32	—	—	161,935	161,935
Total comprehensive (expense) /income for the year		(3,011)	2,780	37,944	37,713
Balance at 31 July 2022		87,446	16,556	665,911	769,913
(Deficit)/surplus from the statement of comprehensive income and expenditure		(4,290)	11,580	63,388	70,678
Other comprehensive income	32	—	—	54,089	54,089
Total comprehensive (expense) /income for the year		(4,290)	11,580	117,477	124,767
Balance at 31 July 2023		83,156	28,136	783,388	894,680
University					
Balance at 1 August 2021		90,457	13,740	633,299	737,496
(Deficit)/surplus from the statement of comprehensive income and expenditure		(3,011)	2,780	(126,103)	(126,334)
Other comprehensive income	32	—	—	161,935	161,935
Total comprehensive (expense) /income for the year		(3,011)	2,780	35,832	35,601
Balance at 31 July 2022		87,446	16,520	669,130	773,096
(Deficit)/surplus from the statement of comprehensive income and expenditure		(4,290)	11,580	63,176	70,466
Other comprehensive income	32	—	—	54,089	54,089
Total comprehensive (expense) /income for the year		(4,290)	11,580	117,265	124,555
Balance at 31 July 2023		83,156	28,100	786,395	897,651

Consolidated and University balance sheet

as at 31 July 2023

	Notes	2022/23		2021/22	
		Consolidated £'000	University £'000	Consolidated (*restated) £'000	University (*restated) £'000
Non-current assets					
Intangible assets	12	9,299	9,299	4,888	4,888
Fixed assets	13	881,662	874,494	907,650	899,924
Heritage assets	14	33,537	33,537	32,425	32,425
Investments	16	144,209	149,674	84,090	89,748
Investments in joint ventures	17	198	—	206	—
Investments in associates	18	253	—	285	—
Debtors: falling due after more than one year	19	10,500	16,714	—	6,132
Retirement benefit asset	32	114,471	114,471	62,358	62,358
		1,194,129	1,198,189	1,091,902	1,095,475
Current assets					
Stock		1,250	1,199	1,092	1,048
Debtors: falling due within one year	19	101,184	101,478	91,066	91,822
Investments	20	165,707	165,707	145,100	145,100
Cash and cash equivalents	21	312,318	310,545	386,007	384,483
		580,459	578,929	623,265	622,453
Less: Creditors: amounts falling due within one year	22	(274,975)	(273,785)	(301,427)	(300,034)
Net current assets		305,484	305,144	321,838	322,419
Total assets less current liabilities		1,499,613	1,503,333	1,413,740	1,417,894
Creditors: amounts falling due after more than one year	23	(348,478)	(350,001)	(353,224)	(354,825)
Provisions					
Pension provisions	24	(241,283)	(241,283)	(277,447)	(277,447)
Other provisions	24	(15,172)	(14,398)	(13,156)	(12,526)
Total net assets		894,680	897,651	769,913	773,096

Consolidated and University balance sheet *continued*

as at 31 July 2023

	Notes	2022/23		2021/22	
		Consolidated	University	Consolidated *(restated)	University *(restated)
		£'000	£'000	£'000	£'000
Restricted reserves					
Income and expenditure reserves – endowment reserves	25	83,156	83,156	87,446	87,446
Income and expenditure reserves – restricted reserves	26	28,136	28,100	16,556	16,520
Unrestricted reserves					
Income and expenditure reserves – unrestricted reserves		783,388	786,395	665,911	669,130
Total reserves		894,680	897,651	769,913	773,096

*Restated as per note 20

The financial statements were approved by Council on 30 November 2023 and were signed on its behalf by:

Professor Simone Buitendijk, Vice-Chancellor and President



Professor Hai-Sui Yu, Interim Vice-Chancellor and President,
and Accountable Officer (from 1 November 2023)



Alastair Da Costa, Chair of Council



Jane Madeley, Chief Financial Officer



Consolidated statement of cash flows

for the year ended 31 July 2023

	Notes	2022/23	2021/22
		£'000	(*restated) £'000
Cash flow from operating activities			
Surplus/(deficit) before tax		70,167	(124,050)
Adjustment for non-cash items			
Depreciation	13	66,393	64,037
Amortisation of intangibles	12	376	548
Impairment of assets	12,13	3,195	3,125
Donated heritage assets	14	(671)	(2,320)
Loss on investments		2,763	1,774
Defined benefit pension adjustment		4,029	13,150
Increase in stock		(158)	(39)
(Increase)/decrease in debtors		(16,720)	400
Decrease in creditors		(29,288)	(17,874)
(Decrease)/increase in pension provisions		(45,375)	173,999
Increase/(decrease) in other provisions		1,871	(2,505)
Share of operating deficits/(surpluses) in jointly controlled entities		153	(30)
Share of operating (surpluses)/deficits in associates		(288)	276
Adjustment for investing or financing activities			
Investment income	5	(22,785)	(3,374)
Interest and other finance costs	8	20,609	12,478
Endowment income	6	(176)	(952)
Loss on disposal of non-current assets		31	2,613
Capital grant income		(17,930)	(16,946)
Cash flows from operating activities		36,196	104,310
Tax paid		(232)	(145)
Net cash inflow from operating activities		35,964	104,165
Cash flows from investing activities			
Proceeds from sales of non-current assets		4,807	881
Capital grant receipts		19,581	15,850
Disposal of non-current asset investments		—	3,740
Placement of deposits		(140,000)	(34,555)
Withdrawal of deposits		120,000	30,000
Investment income		18,937	3,286
Payments made to acquire fixed assets		(49,879)	(33,239)
Payments made to acquire intangible assets		(4,787)	(3,696)
Payments made to acquire heritage assets		(126)	(60)
New non-current asset investments		(63,492)	(1,985)
Net cash outflow from investing activities		(94,959)	(19,778)

Consolidated statement of cash flows *continued*

for the year ended 31 July 2023

		2022/23	2021/22 (*restated)
	Notes	£'000	£'000
Cash flows from financing activities			
Interest paid		(9,709)	(9,532)
Interest element of finance lease and service concession payments	8	(993)	(1,032)
Endowment cash received		176	63
New finance leases		—	1,276
Repayments of amounts borrowed		(1,964)	(1,965)
Capital element of finance lease and service concession payments		(2,204)	(2,009)
Net cash outflow from financing activities		(14,694)	(13,199)
(Decrease)/increase in cash and cash equivalents in the year			
		(73,689)	71,188
Cash and cash equivalents at beginning of the year			
Cash and cash equivalents at beginning of the year	21	386,007	314,819
Cash and cash equivalents at end of the year	21	312,318	386,007

*Restated as per note 20.

Statement of accounting policies

for the year ended 31 July 2023

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 accounts direction as published in October 2019.

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

Going concern

The Council is satisfied that the University has significant financial resources, a strong underlying financial performance, the flexibility to cope with reasonable financial pressures, and a longer-term financial forecast that underpins the delivery of a broader strategic plan.

This assessment draws upon the strong financial position at July 2023 and financial forecasts to 2028, which incorporate investment to support our ambitious strategic plan. At 31 July 2023 we had cash and current investments of £478m (2022 : £531m) and a target minimum cash level in our forecast period of £197m. Our forecasts show a trajectory to sustainable in-year surplus and cash generation targets, supported by an early period focused on investment. They include an assessment of the financial risks we face, including inflationary pressures. We have carried out scenario analysis to scope further risks and considered potential responses, including mitigations to support liquidity if required.

The Council is satisfied therefore that the University 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.

The consolidated financial statements do not include the income and expenditure of the Leeds University Union 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 enjoys 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 funding council block grant, research grants from government sources and grants (including research grants) from non-government sources, are recognised as income when the University is entitled to the income. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Statement of accounting policies *continued*

for the year ended 31 July 2023

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 FRS102: 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 University has entered into a deficit recovery agreement, a liability is recognised for the discounted present value of the contributions payable that arise from the agreement to the extent that they relate to the deficit.

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 pension deficit recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and the pension asset represents the fair value of scheme assets. Any 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.

Statement of accounting policies *continued*

for the year ended 31 July 2023

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 defined contribution plan is a post-employment benefit plan under which the company 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 32 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 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

Fixed 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 surplus or deficit.

Statement of accounting policies *continued*

for the year ended 31 July 2023

13. Fixed assets

Fixed 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 fixed 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

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 their lower asset values.

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 have been 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 an annual 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.

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.

Statement of accounting policies *continued*

for the year ended 31 July 2023

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 profit or loss, 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 profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment. In the University balance sheet, investments (including investments in associates) are measured at cost less impairment, for subsidiaries that have been acquired for consideration, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

Loans

Loans which 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 profit or loss.

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:

- the University has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of economic benefits will be required to settle the obligation
- 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.

Statement of accounting policies *continued*

for the year ended 31 July 2023

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 to the Finance Act 2010 and, accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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 fixed 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 profits. 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

USS pension provision

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme (USS). The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with Section 28 of FRS 102. There is judgement in determining that the USS scheme meets the definition of a multi-employer scheme. The directors are satisfied that the scheme does meet that definition based on the structure and terms of the scheme. The Group has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

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 and its participation in USS give 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 32. Changes in actuarial assumptions would have a significant impact on the size of the pension liability, sensitivity analysis is set out on page 111.

Statement of accounting policies *continued*

for the year ended 31 July 2023

USS

The University has a contractual commitment to fund past deficits arising within USS, and under FRS 102 (Section 28) this obligation is recognised as a liability on the balance sheet and the resulting expense in the statement of comprehensive income and expenditure. The provision was calculated using a discount rate of 5.49% (2022: 3.32%) and an estimate of the changes in staffing levels and pay increases.

The University continued with the deficit recovery plan which was put in place as part of the 2020 USS valuation, which required deficit recovery contributions of 2% of pensionable pay until September 2021. No deficit recovery contributions were required from October 2021 to March 2022 but then increased to 6.2% from April 2022. There will be a further increase to 6.3% from April 2024. The new deficit recovery plan has resulted in an decrease to the provision of £29.9m as at 31 July 2023. In calculating the deficit recovery provision we have made assumptions on discount rates, salary inflation and headcount increases. Due to the size of the provision, changes in these assumptions would have a significant impact on the financial statements and the sensitivities are shown below.

The movement in the provision and further details are set out in note 24.

Discount rate

The discount rate used in the calculation of the provision is 5.49% (2022: 3.32%). This has been determined by reference to average market yields at the reporting date on AA-rated corporate bonds whose term covers the remaining duration of the deficit recovery plan.

- a 2.0% increase in the discount rate would decrease the charge to the statement of comprehensive income and expenditure by £29.9m and increase the 2022/23 provision by the same amount

Salary inflation and headcount growth

Expected salary inflation and headcount increases over the duration of the recovery plan to 2038 are based on the University's business plan which has been reviewed and approved by the University's governing body. Sensitivity analysis has been completed due to the uncertain nature of these assumptions, as follows:

- an increase of 2% per annum in the pay increase assumptions over the duration of the obligation would increase the charge to the statement of comprehensive income and expenditure by £38.8m and increase the 2022/23 provision by the same amount
- if this increase of 2% per annum was applied to the first year only, the charge to the statement of comprehensive income and expenditure would increase by £4.6m
- an increase of 2% per annum in the staffing level assumptions for the duration of the obligation would increase the charge to the statement of comprehensive income and expenditure by £20.2m and increase the 2022/23 provision by the same amount
- if this increase of 2% per annum was applied to the first year only, the charge to the statement of comprehensive income and expenditure would increase by £4.5m.

The following elements do not meet the definition of a key source of estimation certainty; however, they are subject to longer-term uncertainties.

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 pages 9 and 20. 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 is 2030. Given the early stages of our climate plans and considering our overall climate-related strategy, at present, we have not identified a material impact on the financial reporting judgement and estimates. 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 UELs applied to our assets as our Climate plan is put into action.

Notes to the accounts

for the year ended 31 July 2023

1 Tuition fees and education contracts	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full-time home/EU students	192,866	192,866	208,118	208,118
Full-time international students	274,945	274,945	258,638	258,638
Part-time home/EU students	6,127	6,127	6,812	6,812
Part-time international students	1,467	1,467	1,313	1,313
Research training support grants	14,706	14,706	12,715	12,715
Short course fees	15,607	14,236	10,997	9,822
NHS teaching contract	1,493	1,493	1,918	1,918
	507,211	505,840	500,511	499,336

Students from the EU who registered with the University prior to Brexit are classed as home/EU students. Post-Brexit, any students from the EU are classed as international students.

2 Funding body grants				
Recurrent grants:				
OfS	26,716	26,716	26,254	26,254
UKRI	57,455	57,455	48,724	48,724
OfS capital	100	100	2,030	2,030
UKRI capital	10,086	10,086	5,838	5,838
Specific grants:				
Higher Education Innovation Fund	5,723	5,723	5,495	5,495
Widening participation	1,576	1,576	1,652	1,652
Collaborative outreach	1,525	1,525	1,874	1,874
Global Challenges Research Fund	740	740	23	23
Other (less than £0.5m each)	3,081	3,081	3,346	3,346
	107,002	107,002	95,236	95,236

3 Research grants and contracts				
UK research councils	96,931	96,931	89,606	89,606
UK-based charities	24,683	24,683	27,363	27,363
UK government	26,947	26,947	24,663	24,663
UK industry	7,011	7,011	6,889	6,889
European Commission	13,054	13,054	14,104	14,104
Other grants and contracts	16,294	16,294	14,672	14,672
	184,920	184,920	177,297	177,297

Notes to the accounts *continued*

for the year ended 31 July 2023

3a The sources of grant and fee income included in notes 1 to 3 are as follows:				
	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grant and fee income:				
Grant income from the OfS	29,917	29,917	30,158	30,158
Grant income from other bodies	77,085	77,085	65,078	65,078
Fee income for research awards	184,920	184,920	177,297	177,297
Fee income from non-qualifying courses	30,313	28,942	23,712	22,537
Fee income for taught awards	476,898	476,898	476,799	476,799
	799,133	797,762	773,044	771,869

4 Other income				
Residences, catering and conferences	61,979	58,110	62,740	59,119
Health authorities	12,998	12,998	13,060	13,060
Subscriptions	2,090	2,090	1,830	1,830
Grants	16,975	16,975	12,078	12,078
Other services rendered	16,069	16,069	15,884	15,884
National Institute for Health Research	26,163	26,163	24,882	24,882
Other income	12,029	11,371	11,957	11,795
	148,303	143,776	142,431	138,648

5 Investment income				
Income from expendable endowments	207	207	139	139
Income from permanent endowments	1,633	1,633	1,661	1,661
Income from short-term investments	18,371	18,371	1,381	1,381
Pension scheme credits	2,053	2,053	—	—
Other investment income	521	675	193	266
	22,785	22,939	3,374	3,447

6 Donations and endowments				
New endowments	176	176	952	952
Donations with restrictions	12,753	12,753	5,255	5,255
Unrestricted donations	2,129	2,129	4,479	4,479
	15,058	15,058	10,686	10,686

Notes to the accounts *continued*

for the year ended 31 July 2023

	Consolidated	
	2022/23	2021/22
Average staff numbers (full-time equivalents) by major category	Number	Number
Academic/teaching	2,475	2,357
Research	1,056	1,070
Management/professional	1,818	1,644
Support	3,293	3,057
	8,642	8,128

	2022/23		2021/22	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Wages and salaries	389,833	386,446	354,856	351,943
Social security costs	38,519	38,274	35,251	35,035
(Decrease)/increase on USS provision due to changes in deficit recovery plan and assumptions	(29,934)	(29,934)	179,569	179,569
Other pension costs	55,644	55,455	68,397	68,224
Apprenticeship levy	1,771	1,771	1,607	1,601
Severance payments	2,001	2,001	3,004	3,004
	457,834	454,013	642,684	639,376

Severance payments were payable to 131 individuals (2022: 161).

	2022/23	2021/22
Emoluments of the Vice-Chancellor and President Professor Simone Buitendijk	£'000	£'000
Salary	330	330
Employer contributions to defined benefit scheme	—	—
Benefits in kind	—	—
	330	330

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

Notes to the accounts *continued*

for the year ended 31 July 2023

7 Staff costs *continued*

The University of Leeds is a large and complex university with over 10,000 staff and 40,000 students. It has an annual turnover of almost £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 150 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 UCEA and Korn Ferry, and guidance of the CUC Higher Education Senior Staff Remuneration Code. In July 2023, the Remuneration Committee agreed that the Vice-Chancellor and President should receive a 5% cost-of-living salary uplift effective from 1 August 2023.

The Vice-Chancellor and President continued to hold a number of external appointments (see link below). In 2023 the Remuneration Committee agreed a change of policy to permit any payments associated with external appointments (where approved by the Chair of Council) to be retained by the Vice-Chancellor and President.

leeds.ac.uk/secretariat/documents/council_register_of_interests.pdf

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 October 2019.

Vice-Chancellor and President – Professor Simone Buitendijk

The Vice-Chancellor and President's basic salary is 10.8 times the median pay of staff (2022: 11.3), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor and President's total remuneration is 9.6 times the median total remuneration of staff (2022: 10.0), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its 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 University (a calculation that excludes those individuals who are engaged on worker contracts).

The Vice-Chancellor and President's basic salary is 8.6 times the median pay of employees (2022: 9.3), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its employees.

The Vice-Chancellor and President's total remuneration is 7.8 times the median total remuneration of employees (2022: 7.9), where the median is calculated on a full-time equivalent basis for the total remuneration by the University of its employees.

Notes to the accounts *continued*

for the year ended 31 July 2023

	Consolidated	
	2022/23	2021/22
Basic salary of higher paid staff calculated on a full-time equivalent basis	Number of staff	Number of staff
£100,000–£104,999	40	52
£105,000–£109,999	66	31
£110,000–£114,999	32	51
£115,000–£119,999	54	6
£120,000–£124,999	15	15
£125,000–£129,999	13	7
£130,000–£134,999	12	8
£135,000–£139,999	4	9
£140,000–£144,999	9	3
£145,000–£149,999	6	2
£150,000–£154,999	7	4
£155,000–£159,999	4	3
£160,000–£164,999	2	1
£165,000–£169,999	2	1
£170,000–£174,999	3	4
£175,000–£179,999	—	2
£180,000–£184,999	6	2
£185,000–£189,999	4	2
£190,000–£194,999	1	1
£195,000–£199,999	1	—
£205,000–£209,999	—	1
£215,000–£219,999	1	1
£220,000–£224,999	1	1
£230,000–£234,999	2	—
£330,000–£335,000	1	1
	286	208

Prepared in accordance with paragraph 12a of the OfS accounts direction issued October 2019; consequently any other staff who joined or left part-way through the year have been excluded.

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). UEG consists of the Vice-Chancellor and President, Provost and Deputy Vice-Chancellor, Chief Operating Officer, Deputy Vice-Chancellors, Executive Deans, Chief Financial Officer, Director of Communications and Engagement, the University Secretary and Registrar and, for a period, the Chief People and Culture Officer. Staff costs include compensation paid to key management personnel, including any employer's pension contribution, during the period they have been in this role.

	Consolidated	
	2022/23	2021/22
	£'000	£'000
Key management personnel compensation	3,517	3,178

Notes to the accounts *continued*

for the year ended 31 July 2023

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Interest payable on bank loans	381	381	153	153
Interest payable on bond	10,023	10,023	8,896	8,896
Pension scheme charges	9,211	9,211	2,366	2,366
Finance lease interest (including service concession finance charge)	993	973	1,032	998
Other interest	1	—	31	31
	20,609	20,588	12,478	12,444

9 Analysis of total expenditure by activity

Academic departments	340,038	340,038	307,540	307,540
Research grants and contracts	171,240	171,240	164,609	164,609
Total teaching and research	511,278	511,278	472,149	472,149
Admin and corporate services	232,914	231,022	200,741	198,580
Premises	111,709	111,709	99,882	99,882
Residences, catering and conferences	73,423	68,879	74,218	70,467
Other expenses	13,063	13,094	22,028	22,093
Pensions provisions not allocated to departments	(29,934)	(29,934)	179,934	179,934
	912,453	906,048	1,048,952	1,043,105

Other operating expenses

Equipment purchases and maintenance	19,014	19,012	21,632	21,624
Estate repairs and maintenance	26,597	26,128	15,821	15,455
Consumables and laboratory expenditure	27,607	26,608	27,056	26,189
Printed materials, books and periodicals	13,337	13,337	12,761	12,761
Printing, stationery and office expenses	3,725	3,629	2,622	2,331
Travel and subsistence	14,609	14,498	7,813	7,752
Fellowships, scholarships and prizes	58,231	58,231	56,561	56,561
Heat, light, water and power	33,360	33,344	26,808	26,799
Rent, rates and insurance	24,402	25,021	27,300	27,848
Grants to Leeds University Union	4,706	4,706	4,218	4,218
Fees and expenses	125,908	126,671	115,887	116,580
Recruitment, training and welfare	6,344	6,346	4,597	4,600
Auditor's remuneration in respect of audit	518	467	285	237
Auditor's remuneration in respect of audit-related services	33	33	15	15
Other expenses	5,655	3,960	2,704	1,220
	364,046	361,991	326,080	324,190

Fees and expenses include contracted internal audit fees of £0.2m (2022:£0.2m).

Notes to the accounts *continued*

for the year ended 31 July 2023

9 Analysis of total expenditure by activity *continued*

Trustees

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

The expenses paid to trustees during the current year were £2.1k to four trustees (2022: £nil). This represents travel and subsistence expenses incurred in attending Council meetings, conferences and events in their official capacity as Council members.

10 Access and participation

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Analysis of total expenditure by activity:				
Access investment	3,439	3,439	3,134	3,134
Financial support	12,170	12,170	12,631	12,631
Disability support	1,672	1,672	1,549	1,549
Research and evaluation	402	402	351	351
	17,683	17,683	17,665	17,665

Included in the table above are costs already included in the overall staff costs figures shown in note 7, as follows:

Access investment	2,404	2,404	2,033	2,033
Disability support (excluding expenditure included in the two categories above)	1,356	1,356	1,211	1,211
Research and evaluation	372	372	311	311
	4,132	4,132	3,555	3,555

The Access and Participation Plan (APP) can be found at leeds.ac.uk/downloads/download/93/access_and_participation_plan

Financial support is lower in 2022/23 compared to 2021/22 as a result of lower home undergraduate student numbers in 2022/23 compared to 2021/22.

Financial support spend only includes home undergraduate financial support within the APP plan. In addition, expenditure on progression relating to postgraduate scholarships has been £0.3m (2022: £0.4m) and the Financial Assistance Fund paid a further £0.9m for hardship (non-APP related).

Notes to the accounts *continued*

for the year ended 31 July 2023

11 Taxation

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recognised in the statement of comprehensive income and expenditure				
Current tax				
Overseas corporation tax on profits for the period	234	227	142	142
Adjustment in respect of previous years	(3)	—	(8)	—
	231	227	134	142
Deferred tax				
Origination and reversal of timing differences	(561)	—	(12)	—
Adjustment in respect of prior period	(181)	—	3	—
Effects of changes in tax rate	—	—	47	—
	(742)	—	38	—
Total tax (credit)/charge in the year	(511)	227	172	142

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. The Group has an unrecognised deferred tax asset of £0.8m (2022: £1.2m) due to losses in one of the subsidiary entities.

Notes to the accounts *continued*

for the year ended 31 July 2023

12 Intangible assets	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Software				
Opening balance	4,888	4,888	2,037	2,037
Additions in the year	4,787	4,787	3,696	3,696
Amortisation charge for the year	(376)	(376)	(548)	(548)
Impairment charge	—	—	(297)	(297)
Closing balance	9,299	9,299	4,888	4,888

The additions during the year to 31 July 2023 relate to the purchase and external development of software assets.

£4.8m within intangibles form part of larger projects and as a result no amortisation has been charged in the year because the software is not yet available for use.

13 Fixed assets	Consolidated				
	Freehold land and buildings	Equipment	Assets under construction	Service concession arrangement land and buildings (note 15)	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2022	1,217,662	200,008	78,286	40,457	1,536,413
Additions	20,467	18,610	7,077	1,354	47,508
Disposals	(3,877)	(3,020)	—	—	(6,897)
Transfers	49,408	4,114	(53,522)	—	—
At 31 July 2023	1,283,660	219,712	31,841	41,811	1,577,024
Depreciation					
At 1 August 2022	464,382	140,168	9,092	15,121	628,763
Charge for the year	46,654	17,465	—	2,274	66,393
Impairment charge	227	—	2,968	—	3,195
Disposals	(219)	(2,770)	—	—	(2,989)
At 31 July 2023	511,044	154,863	12,060	17,395	695,362
Net book value					
At 31 July 2023	772,616	64,849	19,781	24,416	881,662
At 1 August 2022	753,280	59,840	69,194	25,336	907,650

Notes to the accounts *continued*

for the year ended 31 July 2023

13 Fixed assets <i>continued</i>	University				
	Freehold land and buildings	Equipment	Assets under construction	Service concession arrangement land and buildings (note 15)	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2022	1,205,272	194,379	78,286	40,457	1,518,394
Additions	20,218	18,910	7,077	1,354	47,559
Disposals	(3,877)	(3,011)	—	—	(6,888)
Transfers	49,408	4,114	(53,522)	—	—
At 31 July 2023	1,271,021	214,392	31,841	41,811	1,559,065
Depreciation					
At 1 August 2022	458,637	135,620	9,092	15,121	618,470
Charge for the year	46,391	17,220	—	2,274	65,885
Impairment charge	227	—	2,968	—	3,195
Disposals	(219)	(2,760)	—	—	(2,979)
At 31 July 2023	505,036	150,080	12,060	17,395	684,571
Net book value					
At 31 July 2023	765,985	64,312	19,781	24,416	874,494
At 1 August 2022	746,635	58,759	69,194	25,336	899,924

Included in consolidated freehold land and buildings is land valued at £41.6m (2022: £34.2m) which is not depreciated. Included in University freehold land and buildings is land valued at £40.3m (2022: £32.9m) which is not depreciated.

Included in consolidated equipment are assets held under finance leases with a net book value of £0.1m (2022: £0.2m). The related depreciation charge for the year was £0.1m (2022: £0.1m).

The impairment charge relates to a number of projects and was identified based on a review of the asset base including assets under construction.

Notes to the accounts *continued*

for the year ended 31 July 2023

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 hand written manuscripts and original art works, 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 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 £57m (2022: £56m). In addition, collections are held for other organisations for custodial purposes, notably Ripon Cathedral's heraldry collection, and these are insured separately.

	Consolidated and University			2022/23 Total £'000	2021/22 Total £'000
	Special	Art	ULITA		
	collections	collections	£'000		
At 1 August	24,948	6,952	525	32,425	30,045
Additions	675	437	—	1,112	2,380
At 31 July	25,623	7,389	525	33,537	32,425

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Purchases					
Special collections	404	60	—	65	—
Art collections	37	—	213	—	159
Donations					
Special collections	271	2,320	—	—	848
Art collections	400	—	—	35	—
Total additions	1,112	2,380	213	100	1,007

Additions during the year comprise sculptures, manuscripts and archives.

Notes to the accounts *continued*

for the year ended 31 July 2023

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 2023 was £24.6m (2022: £25.3m). The reduction of £0.7m is as a result of depreciation £2.1m less additions of £1.4m.

Movement in service concession arrangement liabilities

The total liability relating to the service concession included in the balance sheet at 31 July 2023 was £27.0m (2022: £27.8m). £3.1m was repaid during the year (2022: £2.9m).

	Notes	Consolidated and University	
		2022/23 £'000	2021/22 £'000
At 1 August		27,807	28,515
Additions in the year		1,354	1,240
Interest charge for the year		973	998
Repayments made during the year		(3,103)	(2,946)
At 31 July	22, 23	27,031	27,807

Future commitments

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

	Liability repayments	Finance charge	Total
	£'000	£'000	£'000
Payable not later than one year	2,586	946	3,532
Payable later than one year and not later than five years	9,052	2,974	12,026
Payable later than five years	15,393	1,711	17,104
	27,031	5,631	32,662

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 to 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 2023/24) recorded within other operating expenses.

Notes to the accounts *continued*

for the year ended 31 July 2023

16 Non-current investments	2022/23			2021/22		
	Subsidiary companies	Other fixed asset investments	Total	Subsidiary companies	Other fixed asset investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated						
Cost or valuation at 1 August	—	84,090	84,090	—	89,356	89,356
Additions	—	61,527	61,527	—	2,862	2,862
Disposals	—	—	—	—	(3,556)	(3,556)
Dilution of investments in associates	—	318	318	—	—	—
Revaluation of listed investments	—	(1,726)	(1,726)	—	(4,572)	(4,572)
Cost or valuation at 31 July	—	144,209	144,209	—	84,090	84,090
University						
Cost or valuation at 1 August	4,700	85,048	89,748	7,251	93,650	100,901
Additions	125	61,527	61,652	—	2,878	2,878
Disposals	—	—	—	(2,551)	(3,556)	(6,107)
Write-down of investment	—	—	—	—	(3,350)	(3,350)
Revaluation of listed investments	—	(1,726)	(1,726)	—	(4,574)	(4,574)
Cost or valuation at 31 July	4,825	144,849	149,674	4,700	85,048	89,748

The University also has a mixed portfolio of listed investments of £77.3m (2022: £78.8m), which is managed to support the endowment funds, and a new mixed investment portfolio of £61.7m (2022: £nil) in funds designated to support repayment of the University's £300m public bond in 2050.

Notes to the accounts *continued*

for the year ended 31 July 2023

16 Non-current investments <i>continued</i>	
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	Provider of geoscience and geospatial products and services to de-risk exploration programmes and improve management of natural resources
Gunsynd Plc	Investing in the natural resources sector
Tissue Regenix Plc	International medical technology company
Tracsis Plc	A technology provider to the rail industry
Xeros Plc	Laundering systems and cleaning technologies

The University's shareholdings in the above listed companies are < 5%.

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.

Notes to the accounts *continued*

for the year ended 31 July 2023

17 Investments in joint ventures

The University holds shares of joint ventures as follows:

Name of company	Percentage voting rights	Nature of business
Leeds Boathouse Ltd	25%	Rowing club partnership
Stem Learning Ltd	25%	Continuous professional development for science teachers and technicians
N8 Ltd	13%	Enabling 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

Joint ventures' financial summary - University share		
	2022/23	2021/22
	£'000	£'000
Income and expenditure account		
Income	118	99
Deficit before tax	(8)	(11)
Balance sheet		
Non-current assets	175	184
Current assets	74	78
Total assets	249	262
Creditors: amounts falling due within one year	(51)	(56)
Total creditors	(51)	(56)
Share of net assets	198	206

No investment asset is recognised in Stem Learning in accordance with Section 15 of FRS 102, consistent with 2021/22, as the University's share of its net losses exceed the investment value

Notes to the accounts *continued*

for the year ended 31 July 2023

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 CalTIC GmbH, which is registered in Germany.

Name of company	Percentage voting rights	Nature of business
4-XTRA Technologies Ltd	28.3%	Risk management technology
Acuity Robotics Ltd	27.3%	Software developer for the robotics industry
Adsilico Ltd	49.0%	In-silico clinical trials for medical devices
Aronnax Ultrasound Ltd	33.3%	Non-invasive blood glucose sensing
Assemblify Ltd	49.0%	Modular platform technology for improved brain organoid production
CalTIC GMBH	25.3%	Development, production, commercialisation and marketing of therapeutics and companion diagnostics
Cavero Quantum Ltd	49.9%	Information technology consultancy activities
Cell Lane Ltd	24.4%	Mammalian cell separation
Dietary Assessment Ltd	27.8%	Health and wellbeing software
HyFaCol Ltd	49.0%	Development of immuno-oncology therapeutic vaccines targeting multiple tumour indications
Keracol Ltd	49.8%	Functional, natural, sustainable cosmetics
LC Auxetec Ltd	41.8%	Synthetic auxetic materials enabling resistance to high impact applications
Microlub Ltd	49.0%	Biomimetic lubricant platform
Mimetrik Solutions Ltd	47.0%	Robotics, data analytics and asset inspections
Petriva Ltd	49.9%	Software to analyse and visualise petrophysical data for the oil and gas industry development of immuno-oncology therapeutic vaccines targeting multiple tumour indications
SatSense Ltd	32.1%	Provision of near-real-time satellite data to provide ground deformation information
ULMCG Ltd	49.0%	Data-driven medical diagnostics utilising improved characterisation of cardiac electrophysiology for improved healthcare.
Ultracell Networks Ltd	50.0%	Data processing, hosting and related activities

All holdings in the associated companies are less than 50% and the University has assessed that it does not have joint control. There is no net asset impact but some shareholdings have changed in the year.

Movement in share of net assets in the year	Consolidated	
	2022/23	2021/22
	£'000	£'000
Balance at 1 August	285	546
Investment in new associates	—	11
Dilution of shareholding	—	(6)
Share of loss in year	(32)	(266)
Balance at 31 July	253	285

Notes to the accounts *continued*

for the year ended 31 July 2023

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
19 Trade and other receivables				
Amounts falling due within one year				
Research grant receivables	35,809	35,809	30,247	30,247
Other trade receivables	35,893	35,454	23,055	22,729
Prepayments and accrued income	28,853	28,582	37,760	37,476
Amounts owed by subsidiary undertakings	—	1,633	—	1,370
Deferred tax asset	624	—	—	—
Corporation tax	5	—	4	—
	101,184	101,478	91,066	91,822
Amounts falling due after one year				
Accrued income	10,500	10,500	—	—
Amounts owed by subsidiary undertakings	—	6,214	—	6,132
	10,500	16,714	—	6,132

Amounts owed by subsidiary undertakings include trading balances which are non-interest bearing, unsecured and repayable on demand, a concessionary loan repayable in 17 years and a further loan receivable with a market interest rate of 5.83% and repayable over a period of four years. £6.2m (2022: £6.1m) of the amounts is due after more than one year.

Accrued income includes £10.5m (2022: £nil) which is due after more than one year.

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
20 Current investments				
Short-term deposits	65,000	65,000	45,000	45,000
Money market funds	100,707	100,707	100,100	100,100
	165,707	165,707	145,100	145,100

At 31 July 2023 the weighted average interest rate of the short-term fixed-rate deposits was 4.26% per annum and the remaining weighted average period for which the interest rate was fixed on these deposits was 165 days. The fair value of these deposits was not materially different from the book value.

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with up to six months maturity remaining at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

In the prior period one fund, a variable net asset value fund, was classified as a cash equivalent. The nature of the fund is such that there is more than an insignificant risk of exposure of exposure to change in value and therefore this fund has been reclassified as a short-term investment. The value of this fund at 31 July 2021 and 2022 was £100.1m. The impact on the cashflow statement is that cash and cash equivalents at 1 August 2021 have decreased by £100.1m and cash and cash equivalents at 31 July 2022 have decreased by £100.1m.

Notes to the accounts *continued*

for the year ended 31 July 2023

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	(restated) £'000	(restated) £'000
21 Cash and cash equivalents				
Cash in bank and in hand	12,319	10,546	20,994	19,470
Money market funds	284,999	284,999	290,013	290,013
Short-term treasury deposits	15,000	15,000	75,000	75,000
	312,318	310,545	386,007	384,483

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.

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	(restated) £'000	(restated) £'000
22 Creditors: amounts falling due within one year				
Trade payables	41,001	40,703	30,225	29,700
Social security and other taxation payable	15,039	14,768	13,705	13,512
Amounts owed to subsidiary undertakings	—	438	—	384
Accruals and deferred income	200,735	199,757	237,418	236,551
Tuition fees received in advance	13,128	13,128	15,369	15,369
Deferred tax liability	—	—	118	—
Obligations under finance leases (note 28)	81	—	74	—
Service concession arrangement liabilities (note 15)	2,586	2,586	2,119	2,119
Unsecured loans (note 23)	1,965	1,965	1,965	1,965
Unsecured fixed-rate public bond (note 23)	440	440	434	434
	274,975	273,785	301,427	300,034

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

Tuition fees received in advance of the start of the academic year have been reclassified 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	93,683	93,683	117,963	117,963
Grant income and donations	17,915	17,915	21,301	21,301
	111,598	111,598	139,264	139,264

Notes to the accounts *continued*

for the year ended 31 July 2023

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertakings	—	1,583	—	1,750
Accruals and deferred income	2,219	2,214	3,237	3,224
Obligations under finance leases (note 28)	55	—	136	—
Service concession liabilities due after one year (note 15)	24,445	24,445	25,688	25,688
Unsecured loans	6,811	6,811	8,775	8,775
Unsecured fixed-rate public bond	314,948	314,948	315,388	315,388
	348,478	350,001	353,224	354,825
Analysis of unsecured loans:				
Due between one and two years	2,061	2,061	2,404	2,404
Due between two and five years	3,000	3,000	5,079	5,079
Due in five years or more	316,698	316,698	316,680	316,680
Due after more than one year	321,759	321,759	324,163	324,163
Due within one year or on demand (note 22)	2,405	2,405	2,399	2,399
Total unsecured loans	324,164	324,164	326,562	326,562

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 3.125%. 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.

Unsecured bank loans at commercial rates are repayable by instalments falling due between 1 August 2023 and 10 February 2030 and are subject to a negative pledge over the University's assets.

Included in the above are the following:

Lender	Amount (£'000)	Term	Interest rate (%)	Borrower
Barclays	1,688	25 years to 2025	5.2	University of Leeds
Barclays	6,750	20 years to 2030	5.2	University of Leeds

Notes to the accounts *continued*

for the year ended 31 July 2023

	24 Provisions for liabilities				
	Consolidated				
	Obligation to fund deficit on USS pension £'000	Defined benefit obligations (note 32) £'000	Total pension provisions £'000	Other provisions £'000	Total £'000
At 1 August 2021	102,546	84,963	187,509	15,703	203,212
Utilised in year	(4,668)	—	(4,668)	(2,958)	(7,626)
Increase owing to changes in the recovery plan	179,569	—	179,569	—	179,569
Actuarial gain	—	(161,935)	(161,935)	—	(161,935)
Released as not utilised	—	—	—	6,076	6,076
Additions	—	14,614	14,614	6,487	21,101
Transfer to asset	—	62,358	62,358	—	62,358
At 1 August 2022	277,447	—	277,447	13,156	290,603
Utilised in year	(6,230)	—	(6,230)	(1,054)	(7,284)
Released owing to change in the recovery plan	(29,934)	—	(29,934)	—	(29,934)
Released as not utilised	—	—	—	(1,384)	(1,384)
Additions	—	—	—	4,454	4,454
At 31 July 2023	241,283	—	241,283	15,172	256,455

Notes to the accounts *continued*

for the year ended 31 July 2023

24 Provisions for liabilities continued					
	University only				
	Obligation to fund deficit on USS pension	Defined benefit obligations (note 32)	Total pension provisions	Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2021	102,546	84,963	187,509	15,030	202,539
Utilised in year	(4,668)	—	(4,668)	(2,958)	(7,626)
Released owing to changes in recovery plan	179,569	—	179,569	—	179,569
Actuarial gain	—	(161,935)	(161,935)	—	(161,935)
Released as not utilised	—	—	—	(6,033)	(6,033)
Additions	—	14,614	14,614	6,487	21,101
Transfer to asset	—	62,358	62,358	—	62,358
At 1 August 2022	277,447	—	277,447	12,526	289,973
Utilised in year	(6,230)	—	(6,230)	(1,054)	(7,284)
Released owing to changes in the recovery plan	(29,934)	—	(29,934)	—	(29,934)
Released as not utilised	—	—	—	(1,384)	(1,384)
Additions	—	—	—	4,310	4,310
At 31 July 2023	241,283	—	241,283	14,398	255,681

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

USS deficit

The provision in respect of the obligation to fund the deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to make deficit payments in accordance with the deficit recovery plan. In calculating this deficit recovery provision, management has estimated future staff levels, salaries and pay inflation within the USS for the duration of the contractual obligation.

A deficit recovery plan was put in place as part of the 2020 valuation, which requires the University to make additional contributions towards repairing the deficit. An announcement was made in August 2023 from USS indicating that the scheme will be in a surplus position 2023 and as a result during 2023/24 we expect to release the provision held on the balance sheet, and our monthly costs associated with the scheme will be expensed as incurred. This is detailed in note 32. These contributions are 6.2% of salaries from 1 April 2022 to 31 March 2024, increasing to 6.3% from 1 April 2024 to 30 April 2038. The 2023 deficit recovery provision reflects this plan.

In the current year, the USS pension scheme has been accounted for in line with the latest finalised valuation existent at the balance sheet date, that is, the 2020 triennial valuation, and the 2023 valuation is a nonadjusting event because it was not final at the balance sheet date. The provision has been produced using the following key assumptions:

	2023	2022
Discount rate	5.49%	3.32%
Headcount growth duration	0.67%	0.60%

The deficit recovery provision has decreased from £277.4m to £241.3m. £29.9m of this decrease is attributable to the changes in the assumptions used to calculate the provision.

Details on the 2020 actuarial valuation, which was finalised in October 2021, and the accompanying deficit recovery plan are set out in note 30. The deficit recovery plan was agreed with key stakeholders in June 2022. The 2023 actuarial valuation will be available in 2024.

Sensitivity analyses have been included in the accounting policy note on page 81.

Notes to the accounts *continued*

for the year ended 31 July 2023

25 Endowment reserves							
	Permanent endowments		Consolidated and University			Total	
	Capital	Unrestricted	Total	Capital	Unrestricted		
	£'000	Unapplied return £'000		£'000	Unapplied return £'000		
Capital	18,802	—	18,802	42,828	—	42,828	61,630
Unapplied return	—	6,759	6,759	—	12,688	12,688	19,447
Balance as at 1 August 2022	18,802	6,759	25,561	42,828	12,688	55,516	81,077
Additions	—	—	—	176	—	176	176
Reclassify as expendable	—	(1,248)	(1,248)	—	(1,543)	(1,543)	(2,791)
Investment income	—	772	772	—	861	861	1,633
Indexation	1,777	(1,777)	—	5,840	(5,840)	—	—
Market value losses	—	(1,316)	(1,316)	—	(2,825)	(2,825)	(4,141)
Released to unrestricted reserves	—	(199)	(199)	—	(1,617)	(1,617)	(1,816)
Balance as at 31 July 2023	20,579	2,991	23,570	48,844	1,724	50,568	74,138
Represented by:							
Capital	20,579	—	20,579	48,844	—	48,844	69,423
Unapplied return	—	2,991	2,991	—	1,724	1,724	4,715
	20,579	2,991	23,570	48,844	1,724	50,568	74,138

Restricted expendable endowments		£'000
Balance as at 1 August 2022		6,369
Reclassify from permanent		2,791
Investment income		207
Expenditure		(105)
Market value losses		(244)
Balance as at 31 July 2023		9,018

Notes to the accounts *continued*

for the year ended 31 July 2023

25 Endowment reserves continued					
Endowment analysis by purpose:					
	Consolidated and University			2022/23 Total £'000	2021/22 Total £'000
	Restricted permanent	Unrestricted permanent	Restricted expendable		
	£'000	£'000	£'000		
Chairs	9,105	—	30	9,135	9,886
Lectureships	3,679	—	806	4,485	5,114
Fellowships	9,112	185	2,606	11,903	13,008
Scholarships	15,564	1,968	432	17,964	19,573
Prizes	5,413	430	119	5,962	6,366
Specific funds	11	—	3,785	3,796	1,168
General funds	7,684	20,987	1,240	29,911	32,331
	50,568	23,570	9,018	83,156	87,446
Analysis by asset:					
Non current investments				77,301	78,832
Cash and cash equivalents				5,855	8,614
				83,156	87,446

Notes to the accounts *continued*

for the year ended 31 July 2023

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Balances at 1 August	16,556	16,520	13,776	13,740
New restricted grants and donations	17,786	17,786	8,648	8,648
Expenditure	(6,206)	(6,206)	(5,868)	(5,868)
Balances at 31 July	28,136	28,100	16,556	16,520

27 Capital commitments

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

	8,585	8,585	16,191	16,191
Commitments contracted for				

Capital commitments at 31 July 2023 comprise contracted works for educational facilities (£4.1m), residences (£3.0m) and campus infrastructure (£1.5m).

28 Lease obligations

	Consolidated and University			2021/22 Total £'000
	Buildings £'000	Equipment £'000	2022/23	
			Total £'000	
Total rentals payable under operating leases:				
Expenditure during the year	18,624	151	18,775	23,250
Future minimum lease payments due:				
Not later than one year	20,778	184	20,962	18,771
Later than one year and not later than five years	78,860	538	79,398	43,656
Later than five years	41,366	—	41,366	17,340
Total lease payments due	141,004	722	141,726	79,767

	Consolidated		
	Equipment £'000	2022/23	2021/22
		Total £'000	Total £'000
Amounts due under finance leases:			
Future minimum lease payments due:			
Not later than one year	91	91	94
Later than one year and not later than five years	58	58	149
Total lease payments due	149	149	243
Less: finance charges allocated to future periods	(13)	(13)	(33)
	136	136	210

Notes to the accounts *continued*

for the year ended 31 July 2023

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.

	2022/23	2021/22
	£'000	£'000
Bright Beginnings Childcare Centre Leeds:		
Member's funds at 1 August	452	447
Income	1,717	1,426
Expenditure	(1,610)	(1,421)
Members' funds at 31 July	559	452

30 Consolidated reconciliation of net funds

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	(restated) £'000	(restated) £'000
Net funds 1 at August	176,528	175,214	97,658	96,468
(Decrease)/increase in cash and cash equivalents	(73,689)	(73,938)	71,188	71,089
Increase in current investments	20,607	20,607	4,555	4,555
Other non-cash movements	3,248	3,174	3,127	3,102
Net funds at 31 July	126,694	125,057	176,528	175,214
Change in net funds	(49,834)	(50,157)	78,870	78,746

Analysis of net funds

Cash and cash equivalents (note 21)	312,318	310,545	386,007	384,483
Current investments (note 20)	165,707	165,707	145,100	145,100
	478,025	476,252	531,107	529,583

Borrowings: amounts falling due within one year (note 22)

Obligations under finance leases	(81)	—	(74)	—
Service concession arrangement liabilities	(2,586)	(2,586)	(2,119)	(2,119)
Unsecured loans	(1,965)	(1,965)	(1,965)	(1,965)
Unsecured fixed-rate public bond	(440)	(440)	(434)	(434)
	(5,072)	(4,991)	(4,592)	(4,518)

Borrowings: amounts falling due after more than one year (note 23)

Obligations under finance leases	(55)	—	(136)	—
Service concession arrangement liabilities	(24,445)	(24,445)	(25,688)	(25,688)
Unsecured loans	(6,811)	(6,811)	(8,775)	(8,775)
Unsecured fixed-rate public bond	(314,948)	(314,948)	(315,388)	(315,388)
	(346,259)	(346,204)	(349,987)	(349,851)

Net funds	126,694	125,057	176,528	175,214
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Notes to the accounts *continued*

for the year ended 31 July 2023

31 Financial instruments

	2022/23		2021/22	
	Consolidated	University	Consolidated	University
	£'000	£'000	(restated) £'000	(restated) £'000
Financial assets				
Financial assets at fair value through statement of comprehensive income and expenditure				
Listed investments	141,005	141,005	81,294	81,294
Financial assets that are equity instruments measured at cost less impairment				
Other investments	3,204	3,844	2,796	3,756
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	312,318	310,545	386,007	384,483
Other investments	165,707	165,707	145,100	145,100
Other debtors	94,837	102,079	68,582	75,753
	572,862	578,331	599,689	605,336
Financial liabilities				
Financial liabilities measured at amortised cost				
Unsecured loans	324,164	324,164	326,562	326,562
Service concessions	27,031	27,031	27,807	27,807
Tuition fees received in advance	13,128	13,128	15,369	15,369
Trade creditors	41,001	40,703	30,225	29,700
Other creditors	95,974	95,420	112,068	111,182
	501,298	500,446	512,031	510,620

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

Tuition fees received in advance of the start of the academic year have been reclassified 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.

Notes to the accounts *continued*

for the year ended 31 July 2023

31 Financial instruments *continued*

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

	Notes	2022/23		2021/22	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial instruments					
Interest income and (expense)					
Total income for financial assets at amortised cost	5	20,732	20,886	3,374	3,447
Total interest expense for financial liabilities at amortised cost	8	(11,398)	(11,377)	(10,112)	(10,078)
		9,334	9,509	(6,738)	(6,631)
Fair value losses					
On financial assets measured at fair value through the statement of comprehensive income and expenditure		(2,763)	(2,763)	(1,774)	(1,774)

32 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 Defined Contribution Plan (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 seven members, and the National Health Service (NHS) Pension Scheme, which has 177 members; both are multi-employer schemes.

	2022/23	2021/22
	£'000	£'000
Total pension costs for the University and its subsidiary undertakings (excluding USS provision movement)		
USS	37,818	43,311
PAS	13,048	21,449
DC Plan	2,508	1,868
Other pension schemes	2,270	1,769
Total pension cost	55,644	68,397

Notes to the accounts *continued*

for the year ended 31 July 2023

32 Pension schemes *continued*

The Universities Superannuation Scheme

The University participates in Universities Superannuation Scheme (USS), which is the main scheme covering most academic and academic-related staff and professional staff of all pre-1992 UK universities and some other employers. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

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

As a result, the amount charged to the statement of comprehensive income and expenditure represents the contributions payable to the scheme in respect of the accounting period, except for payments under the agreed deficit recovery plan. The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees. In 2022/23, the percentage was 21.6% and, based on the current plan, this will fall to 21.4% in April 2026.

A deficit recovery plan was put in place as part of the 2020 valuation, which requires the University to make additional contributions towards repairing the deficit. These contributions are 6.2% of salaries from 1 April 2022 to 31 March 2024, increasing to 6.3% from 1 April 2024 to 30 April 2038. This recovery plan was set so as to recover the deficit that existed at 31 March 2020 over a period of slightly more than 18 years from the 2020 valuation date. A provision is held for the estimated present value of the amounts expected to be payable under the agreed deficit recovery plan (see note 24). Deficit recovery contributions due within one year for the University are £17.2m (2022: £15.7m).

The 2023 valuation currently in progress is likely to result in an improved funding position and consequently a revised schedule of contributions will be implemented. See note 24.

The latest available complete actuarial valuation of the scheme is at 31 March 2020 ('the valuation date') which was carried out using the projected unit method.

Since the University cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

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

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

Notes to the accounts *continued*

for the year ended 31 July 2023

32 Pension schemes *continued*

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

2020 valuation

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

The current life expectancies on retirement at age 65 are:

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

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 2020. The results of the PAS valuation showed a funding level of 87% and a deficit of £66.2m.

PAS contributions

	Final salary		Career Revalued Benefit	
	Employee	Employer	Employee	Employer
Pre-1 April 2016	7.50%	18.15%	6.50%	18.15%
Post-1 April 2016	7.50%	16.00%	6.50%	16.00%

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 PPF levy, the cost of benefit augmentations and 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.

Notes to the accounts *continued*

for the year ended 31 July 2023

32 Pension schemes *continued*

Assumptions

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

	At 31 July 2023	At 31 July 2022
	%pa	%pa
Price inflation (RPI)	3.00	3.00
Price inflation (CPI)	2.70	2.60
Rate of increase in salaries	3.70	3.60
Rate of increase of pensions in payment	2.70	2.60
Discount rate	5.00	3.40
Mortality assumption (pre – and post – retirement)	111% S3PMA_All (males) 103% S3PFA_Mid (females) CMI 2022 with a long-term rate of 1.5% pa and 7.5 smoothing parameter for both males and females	111% S3PMA_All (males) 103% S3PFA_M (females) CMI 2020 with a long-term rate of 1.5% pa and 7.5 smoothing parameter 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.

	2023	2022
Male pensioner	25.8	26.2
Male non-pensioner (currently aged 40 in 2023)	27.6	28.0
Female pensioner	28.4	28.7
Female non-pensioner (currently aged 40 in 2023)	30.3	30.6

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 2023	Approximate increase/(decrease) to the net defined benefit asset £m
0.5% pa increase in discount rate	32.2
0.5% pa increase in salary inflation	(8.2)
0.5% pa increase in inflation	(35.3)

Notes to the accounts *continued*

for the year ended 31 July 2023

32 Pension schemes <i>continued</i>		
Scheme assets		
The assets in the scheme were:		
	Fair value as at	
	31 July 2023	31 July 2022
	£'000	£'000
Equities and other growth assets	257,647	370,031
Property	51,464	39,724
Bonds and cash	213,587	152,569
Total	522,698	562,324
Analysis of the amount shown in the balance sheet for PAS		
Scheme assets	522,698	562,324
Scheme liabilities	(408,227)	(499,966)
Surplus in the scheme – net pension asset recorded in non-current assets	114,471	62,358
Operating charges		
Current service cost	15,034	23,784
Non-investment expenses	1,000	623
Total operating charge	16,034	24,407
Analysis of the amount (credited to investment income) /charged to interest costs		
Interest income	(2,053)	—
Interest costs	—	1,464
Net amount (credited to investment income) /charged to interest costs	(2,053)	1,464
Total charge before deduction for tax	13,981	25,871
Analysis of other comprehensive income		
Actuarial gain on defined benefit obligation	110,585	208,549
Actuarial loss on assets	(56,496)	(46,614)
Amount recognised in other comprehensive income	54,089	161,935

Notes to the accounts *continued*

for the year ended 31 July 2023

32 Pension schemes <i>continued</i>		
	2022/23	2021/22
	£'000	£'000
Analysis of movement in surplus/(deficit)		
Surplus/(deficit) at beginning of year	62,358	(84,963)
Contributions or benefits paid by the University	12,005	11,257
Current service cost	(15,034)	(23,784)
Non-investment expenses	(1,000)	(623)
Net interest credit/(charge)	2,053	(1,464)
Gain recognised in other comprehensive income	54,089	161,935
Surplus at end of year	114,471	62,358
Analysis of movement in the present value of liabilities		
Present value of liabilities at the start of the year	499,966	686,325
Current service cost (net of member contributions)	15,034	23,784
Actual member contributions	246	238
Interest cost	17,029	11,070
Actuarial gain	(110,585)	(208,549)
Actual benefit payments	(13,463)	(12,902)
Present value of liabilities at the end of the year	408,227	499,966
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	562,324	601,362
Interest income on assets	19,082	9,606
Non-investment expenses	(1,000)	(623)
Actuarial loss on assets	(56,496)	(46,614)
Actual contributions paid by University	12,005	11,257
Actual member contributions	246	238
Actual benefit payments	(13,463)	(12,902)
Fair value of scheme assets at the end of the year	522,698	562,324
Actual return on scheme assets		
Interest income on assets	19,082	9,606
Asset loss	(56,496)	(46,614)
Change to actuarial loss on assets	(37,414)	(37,008)

PAS assets do not include any of the University's own financial instruments, or any property occupied by the University.

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 the CARE section of PAS within 12 months of joining the University.

The DC Plan had 1,832 contributing members at 31 July 2023 (2022: 1,484). The default contribution rate is 3% member and 6% employer. Some members pay a higher contribution rate and this is matched by the University, up to a maximum 10% employer contribution.

Notes to the accounts *continued*

for the year ended 31 July 2023

33 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 influence or control, during the year and outstanding balances at the year end are detailed below:

Related party	Income		Expenditure		Balance due to the University		Balance payable by the University	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CBI ¹	20	—	50	15	—	—	5	—
Glass Futures Ltd ²	—	9	2	—	—	—	—	—
Leeds International Pianoforte Competition ³	1	75	200	203	1	—	—	—
Leeds University Union ⁴	676	879	465	723	450	60	314	14
London School of Economics ⁵	N/A	63	N/A	10	N/A	—	N/A	15
N8 Ltd ³	—	—	73	60	—	—	—	—
Russell Group of Universities ³	—	—	87	83	—	—	—	—
The Clothworkers' Company ⁶	890	1,196	—	—	—	—	—	—
UKRI ¹	N/A	144	N/A	—	N/A	—	N/A	—
Universities UK ³	—	—	82	78	—	—	1	—
Worldwide Universities Network ³	93	49	53	51	43	40	—	—
Yorkshire Universities ³	3	3	107	30	—	—	—	—
Yorkshire Water ⁷	N/A	174	N/A	293	N/A	52	N/A	2

- Jane Madeley, the Chief Financial Officer, was an independent member of the Audit, Risk and Performance Committee of United Kingdom Research and Innovation (UKRI), an organisation which brings together the seven research councils, until 31 January 2022. Jane is also currently the Chair of the Regional CBI Council.
- Professor Peter Jimack, a member of Council, was a director of Glass Futures Ltd until 1 February 2023.
- Professor Simone Buitendijk, Vice-Chancellor and President, was a board member of the following organisations which had transactions with the University of Leeds during the year: Yorkshire Universities, N8 Ltd, Worldwide Universities Network, Russell Group of Universities, Universities UK. Simone is also a trustee of the Leeds International Pianoforte Competition.
- Bethan Corner and Maria Papageogiou, members of Council, are officers of Leeds University Union.
- Alastair Da Costa, Chair of Council from 1 August 2022, a member of Council, had a directorship with the London School of Economics until 31 July 2022.
- Dr Cordelia Rogerson, a member of Council, is a member of the board for The Clothworkers' Company.
- Liz Barber, a member of Council, held directorships at Yorkshire Water until 6 May 2022.

Notes to the accounts *continued*

for the year ended 31 July 2023

34 Financial responsibility supplemental schedule for the US Department of Education

This schedule has been compiled from the 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 £ Sterling.

The following abbreviations have been used in note references: CSCF – consolidated statement of cash flows; CSCI – consolidated statement of comprehensive income and expenditure.

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2022/23 £'000	2021/22 £'000
Primary reserve ratio				
Expendable net assets				
Net assets without donor restrictions	Income and expenditure reserve – unrestricted*	Balance sheet	783,388	665,911
Net assets without donor restrictions	Endowment reserves – unrestricted permanent endowments*	25	23,570	25,561
Net assets with donor restrictions	Endowment reserves – restricted expendable endowments**	25	9,018	6,369
Net assets with donor restrictions	Endowment reserves – restricted permanent endowments**	25	50,568	55,516
Net assets with donor restrictions	Income and expenditure reserve – restricted reserve**	Balance sheet	28,136	16,556
Pre-implementation property, plant and equipment	Fixed assets consolidated net book value 1 August 2019 less depreciation and disposals, excluding service concessions	13	(521,048)	(589,302)
Post-implementation property, plant and equipment with outstanding debt	Additions purchased with debt since 1 August 2019, excluding service concessions	23	(44,926)	(44,926)
Construction in progress	Assets under construction	13	(19,781)	(69,194)
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	(303,916)	(211,317)
Lease right-of-use assets – pre-implementation	Service concession arrangements at 1 August 2019 less subsequent depreciation and disposals	13	(20,980)	(23,254)
Lease right-of-use assets – post-implementation	Service concession arrangements – additions since 1 August 2019	13	(3,436)	(2,082)
Intangible assets	Software	12	(9,299)	(4,888)
Post-employment and pension liability	Pension provisions	24	241,283	215,089

Notes to the accounts *continued*

for the year ended 31 July 2023

34 Financial responsibility supplemental schedule for the US Department of Education *continued*

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2022/23 £'000	2021/22 £'000
Expendable net assets <i>continued</i>				
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	23,595	25,725
Lease right-of-use liability – post-implementation	Service concession liabilities movement since 1 August 2019	15	3,436	2,082
Annuities	Endowment reserves: restricted expendable endowments	25	(9,018)	(6,369)
Restricted in perpetuity	Endowment reserves: restricted permanent endowments	25	(50,568)	(55,516)
Total expendable net assets			430,022	255,961

Expenses and losses without donor restrictions				
Total operating expenses and other deductions	Total expenditure	CSCI	912,453	1,048,952
Total operating expenses and other deductions	Restricted expendable endowments – expenditure	25	(105)	(213)
Total operating expenses and other deductions	Restricted reserves – expenditure	26	(6,206)	(5,868)
Pension-related changes other than net periodic costs	Obligation to fund deficit on USS pension: increased/(decreased) due to changes in recovery plan	24	29,934	(179,569)
Other gains/(losses)	Share of operating deficits/(surpluses) in jointly controlled entities	CSCI	153	(30)
Other (losses)/gains	Share of operating (surpluses)/deficits in associates	CSCI	(288)	276
Net assets restricted	Restricted expendable endowments – reclassified from permanent unrestricted	25	2,791	—
Other losses	Taxation charge	CSCI	—	(172)
Total expenses and losses without donor restrictions			938,732	863,376

Notes to the accounts *continued*

for the year ended 31 July 2023

34 Financial responsibility supplemental schedule for the US Department of Education *continued*

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2022/23 £'000	2021/22 £'000
Equity ratio				
Modified net assets				
Net assets without donor restrictions	Items in expendable net assets above marked*		806,958	691,472
Net assets with donor restrictions	Items in expendable net assets above marked**		87,722	78,441
Intangible assets	Software	12	(9,299)	(4,888)
Total modified net assets			885,381	765,025

Modified assets				
Total assets	Non-current assets	Balance sheet	1,194,129	1,091,902
Total assets	Current assets	Balance sheet	580,459	623,265
Lease right-of-use asset pre-implementation	Service concession liabilities at 1 August 2019; less movements since 1 August 2019	13	(20,980)	(23,254)
Lease right-of-use liability – pre-implementation	Service concession liabilities at 1 August 2019; less movements since 1 August 2019	13	23,595	25,725
Intangible assets	Software	12	(9,299)	(4,888)
Total modified assets			1,767,904	1,712,750

Net income ratio				
Changes in net assets without donor restrictions	Unrestricted comprehensive income for the year	CSCI	117,477	37,944
Changes in net assets without donor restrictions	Movement in unrestricted permanent endowments	25	(1,991)	(288)
			115,486	37,656

Notes to the accounts *continued*

for the year ended 31 July 2023

34 Financial responsibility supplemental schedule for the US Department of Education *continued*

Description: supplemental schedule	Description: UK GAAP accounts	Notes	2022/23 £'000	2021/22 £'000
Revenues and gains without donor restrictions				
Total revenue	Total Income	CSCI	985,279	929,535
Revenue with donor restrictions	New restricted grants and donations	26	(17,786)	(8,648)
Revenue with donor restrictions	Restricted endowment investment income	25	(1,068)	(1,153)
Sale of fixed assets, gains/(losses)	Realised loss on disposal of non-current assets	CSCI	(31)	(2,613)
Other gains	Taxation credit	CSCI	511	—
Net assets released from restriction	Released to unrestricted reserves from permanent endowments (restricted)	25	1,617	1,606
Total revenue and gains without donor restrictions			968,522	918,727

* Items total to net assets without donor restrictions

** Items total to net assets with donor restrictions



University of Leeds,
Leeds, United Kingdom
LS2 9JT

0113 243 1751
leeds.ac.uk