

Annual Report and Financial Statements

for year ended 31 July 2022



UNIVERSITY OF LEEDS

Universal values, global change

At the University of Leeds we have a clear vision of our purpose and the value we can bring.

Through collaboration, we harness our expertise in research and education to advance knowledge, transform lives and shape a better future for our communities, our region and the world.

Specifically, we aim to address local and global challenges, achieve social justice, reduce inequalities, and help achieve the UN Sustainable Development Goals.

We enable our students to thrive through a sense of belonging. Now and in the future, they will be partners in shaping their own dynamic and innovative educational experience, characterised by active learning, digital technologies and collaboration. Students feel valued for their unique contribution, and graduate equipped to make a difference as true global citizens.



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Overview

Foreword

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



The turbulence of the last two and a half years has been testing for the University. Yet our community has dealt with the seismic shocks of the COVID-19 pandemic with great agility, assurance and foresight.

Not everything was perfect, and the impact on the student experience has been inevitable.

But fundamentally, and under great pressure, the University took the right decisions at the right times. In doing so, we are ideally placed to deliver an ambitious new strategy and deal head on with future challenges.

Those challenges are myriad and not to be underestimated, as we negotiate choppy economic and geopolitical waters driven, at least in part, by the tragedy of Russia's invasion of Ukraine.

Financially, the University ended the year with an operating surplus of £60m (before movement on USS pensions). This is testament to prudent financial planning, as we navigated our way through the impacts of the COVID-19 pandemic but also embarked on a series of prioritised investments, which will be critical for the successful delivery of the new strategy.

We will need a clear-sighted approach to financial management in the coming year, as we cope with spiralling energy prices and inflation. We will need both careful financial stewardship and compassion, mindful of the impact of the cost of living crisis for staff and students.

It's also clear that tuition fees, both as a model and at the current quantum, will increasingly come under pressure. As costs rise and pressures on people's pockets increase, there is a legitimate question around how fees can be sustained at their current level, while universities deliver the same levels of education and experience. Longer term, further debate about the best funding model seems inescapable.

The student experience has creaked under the pressure and stresses of the pandemic. The appropriate response requires a clear plan and a sense of perspective. The good news is that we have both. Under the leadership of the Vice-Chancellor and the Deputy Vice-Chancellor: Student Education, the University has an inspiring vision for delivering a truly active learning experience for our students that will position them better than ever to take up their place in the world after graduation.

The University is committed to providing opportunities to our students from the most disadvantaged backgrounds, including those on our doorstep in the city and region. This report is peppered with short case studies, including those of students from diverse backgrounds who have been able to access, integrate into and thrive at Leeds, thanks to the various initiatives we run.

This work goes to the very heart of our mission, strategy and values. The door is open to anyone with ability, drive and desire, regardless of circumstances.

The University's governance underwent changes over the course of the year, both in relation to the Council, as governing body, and the Senate, which is responsible for academic governance and regulation at the University. These changes stemmed from recommendations made in independent reports by sector experts, Advance HE. In the case of the Council, a significant element of the change is to ensure we have the right spread of expertise, experience and insight across our membership to oversee and interrogate major strategy, policy and financial plans, and to ensure we uphold the highest standards of corporate governance. The changes in the Senate will ensure that it can more effectively discharge its core duties of upholding academic standards.

On behalf of the Council, I would like to thank our entire community of staff, students, friends, partners and alumni for their unwavering commitment, energy and passion – these are the things that make this great institution what it is.

I do not doubt that we will continue to be tested in the coming year, but with determination, a shared sense of purpose, and by focusing on our values of collaboration, compassion, inclusivity and integrity, I am equally confident that we will rise to the challenge.



Questions and answers with Simone Buitendijk (Vice-Chancellor, University of Leeds)

What have been the highlights of the 2021/22 session?

It's tempting to focus on individual highlights, and there have been many. Being awarded the Queen's Anniversary Prize, the fact that an initiative by one of our PhD researchers around the naming of glaciers in the Antarctic dominated headlines on the eve of COP 26, the opening of our state-of-the-art Bragg Centre for materials research, and another strong showing in the Research Excellence Framework (REF) all spring to mind. These brilliant achievements are testament to the ingenuity, creativity and expertise of our colleagues.

But longer term, the most meaningful highlights may be those that will lay the foundations for everything we want to achieve through our 10-year strategy, *Universal Values, Global Change*. They may be less immediately visible, but they are a down payment on our future.

I would pick out four in particular. First, working with our entire community to define our new values of compassion, collaboration, inclusivity and integrity – they will shape so much of what will follow. Second, launching our new Equity, Diversity and Inclusion (EDI) strategy, which will help us create an inclusive environment where every person in our community of staff and students is accepted as equal, inspired to participate and empowered to succeed. Third, seeing our Curriculum Redefined programme really starting to take off. This will create an evidence-based, interactive educational experience for our students, which will enable them to step into the workplace equipped with modern skills and the ability to help shape a better future for humanity as rounded global citizens. And fourth, transforming our research approach and culture, to make us focus on driving down inequalities, creating a more collaborative and supportive research culture, and realising the synergies across research and education.

I am especially proud of our highly ambitious Net Zero strategy, which sets out how we will get our own house in order and step up our work around climate change to help tackle this most pressing of global challenges.

You have spoken a lot about the need for collaboration over competition. What does this mean for the University?

The question is not just what this means for this University, but what it can mean for *all* universities, and in turn for humanity, which stands to benefit. We need to think big here. I am calling this 'radical collaboration'. I believe that, through working with like-minded institutions, we can be at the vanguard of a movement that truly reshapes the mindset of universities, that changes the definition of success, and therefore the impact we can have, particularly in relation to some of our most vulnerable communities globally. It will also make all of us in higher education happier because it will provide us with a strong sense of purpose and we won't constantly be questioning whether we are 'good enough'.

If competition was ever healthy – and I am sceptical – I am convinced that it has ceased to be so over the last few decades. As a sector, we are less inclined to work together because we are always looking over our shoulders for 'the competition', with the rankings hanging over us. This leads to undesirable and ultimately self-limiting behaviours. Some subject areas can become less powerful, which in turn undermines interdisciplinarity; teaching may seem to be reduced to little more than a source of income, impoverishing students educationally, while universities in the Global South struggle to get an equitable seat at the table, reducing their impact and contribution.

If we lift our heads and move away from competition and rankings, we can work together across disciplinary boundaries, geographies and status divides to create highly values-led, collaborative academic communities with a sense of shared purpose. I know our University can lead on this, but others are ready to join in.

How can we ensure that the University values are ‘lived’ on campus?

The million-dollar question: how do we bring them off the page and into our everyday lives? This is partly about visibility: our values need to be unavoidable and at the forefront of our minds. But we also need a coordinated drive to truly embed them in everything we do – from promotion and recruitment procedures, to the work we prioritise and fund, to the behaviours we demonstrate every day in our working lives, in our research, our teaching and our support services. This is multifaceted and it won’t be easy, but we can do it through taking a holistic approach and, most important, ensuring that our outcome indicators are infused with our values so we can truly measure performance. The relationship with EDI will be essential here. We can only live our values if we live our EDI strategy. The two are inextricably linked.

The University has ramped up its regional engagement activity. How and why are we doing this?

Our roots as a civic university must continue to determine the decisions we make, and the activities we undertake.

Our values and our approach to EDI shouldn’t just stop at our doorstep. We can and we should be a force for reducing inequalities and increasing opportunity in the city and region. Just one example of this is the new specialist maths school we are opening in the heart of Leeds with the Gorse Academies Trust.

“The question is not just what this means for this University, but what it can mean for all universities, and in turn for humanity, which stands to benefit.”

This will help students, including many from the most disadvantaged parts of the city, to increase attainment. It will be another key element of our already considerable outreach work with schools in the city.

A particular area of opportunity for us will be the contribution we will make to the new Leeds Health and Social Care Hub, which brings together government and a range of partners from across the region to improve health outcomes, tackle health disparities and position the city as the natural choice for professionals looking to pursue a career in health and social care.

Finally, we shouldn’t overlook the role our students play in the city. From supporting young people in schools across the city and region to delivering sport and wellbeing activities in NHS settings, and from running English language conversation classes for refugees to their driving environmental and conservation work, our students contribute time, energy and ideas to making Leeds a better place for everyone. A key challenge is how we can keep more of them here after graduation, so the city and region can benefit from their expertise, energy and engagement.



Highlights of the year

June saw the opening of the Sir William Henry Bragg building, home to the Faculty of Engineering and Physical Sciences. This state-of-the-art integrated teaching and research facility, designed to help the University achieve its strategic aim of making a positive difference in the world through scientific discovery, including its work on advanced materials.

- The Research Excellence Framework (REF) 2021, which assesses the level of excellence in research in UK higher education institutions, judged that 90% of our research activity submitted had a quality rating of 'world-leading' or 'internationally excellent'.
- 75 new transformative educators were appointed to support the University's transformative Curriculum Redefined programme for student education.
- Leeds was honoured with a Queen's Anniversary Prize – the most prestigious award in higher education – for our work in global weather research. Our climate science researchers were rewarded for their groundbreaking work in forecasting extreme weather events, conserving tropical forests and improving climate-related health issues.
- A free-to-use app developed by the University of Leeds and the National Centre for Atmospheric Science was launched in Kenya to help people avoid the death and destruction caused by tropical storms. The app, known as FASTA (Forecasting African STorms Application), shows current storm activity in the local area and where the extreme weather is heading.
- Leeds Graphic and Communication Design student, Edward Roberts, was behind one of the most iconic images of 2022 – the official emblem for the late Queen Elizabeth's Platinum Jubilee. Edward's design has been seen on London buses, the coins used in the Wimbledon Singles finals and Cadbury's Dairy Milk chocolate bars.
- Professor Ornella Iurio, a leading researcher at Leeds and director of our Cities, Infrastructure and Energy research group, was recognised as one of the Top 50 Women in Engineering by the Women's Engineering Society (WES). In addition, Leeds alumna, Toyin Jegede, who was a PhD student at our School of Chemical and Process Engineering before returning to the University of Lagos in Nigeria, was named an 'Engineering Hero' by the Association of Professional Women Engineers in Nigeria (APWEN).
- An app developed by Leeds alumnus Ryan Bell, who graduated in geography in 2018, won a £5,000 award from Innovate UK's Young Innovators programme. Tech Balance helps people who realise they are spending too much time online to balance screen time with 'real life' activity.



Queen's Anniversary Prize

Leeds was recognised this year with a Queen's Anniversary Prize for our work in global weather research.

The University's climate science researchers were honoured for their groundbreaking work in forecasting extreme weather events, conserving tropical forests and improving climate-related health issues.

The Prize celebrates the work of our collaborative research and education programmes in helping develop a new generation of experts committed to addressing the impact of climate change on the Global South.

Real-world benefits

In Africa, this research has provided advance warning of events such as storms in Senegal, landslides and mudslides in Kenya and flooding in Budalangi on Lake Victoria. It has also helped communities mitigate the effects of potentially devastating natural disasters.

Accurate weather forecasting is helping improve health services in Sub-Saharan Africa, while in South America, conservation partnerships have helped protect vast areas of forest.

Third award

This is the third time Leeds has been presented with a Queen's Anniversary Prize. Awarded every two years, it is the UK's most prestigious higher education honour and rewards excellence, innovation and the impact of research on society. Since its inception in 1994, 296 awards have been announced, celebrating the impact of education on public life and human progress.

The award was presented in February 2022 by Prince Charles (now King Charles III) and the Princess Royal to Professor Nick Plant, Deputy Vice-Chancellor: Research and Innovation, and Dr Amanda Maycock, Director of the Institute for Climate and Atmospheric Science.

“By working alongside institutions around the world and empowering communities on the ground, we are putting the knowledge to prepare for the future in the hands of those who need it most, while building their capacity to face the emergent challenges of tomorrow.”

Professor Simone Buitendijk, Vice-Chancellor



Our strategy and impact



Our strategy and values

Defining our purpose

The University of Leeds is in the early stages of a 10-year strategy that positions us as a values-led university playing a leading role in tackling inequalities, benefiting society and driving change.

The strategy recognises that the world is facing unprecedented challenges, including climate change, economic instability and poverty. The impact of these challenges, and the ability to address them, vary across countries.

Our strategy is guided in a large part by our commitment to supporting the United Nations 17 Sustainable Development Goals (SDGs¹). This includes a commitment to health and wellbeing, quality education and reducing inequality. We will undertake research that helps to solve pressing global issues such as climate change, hunger and clean water, and produce graduates who are dedicated to creating a better society for all.

Reducing inequality will require collaboration on an unparalleled scale across institutions and nations. We believe that research-intensive universities, working with their local communities and partners, and as part of a powerful group of networked institutions, are perfectly placed to help achieve this. We want to be at the forefront of that movement.

We are highly focused on impact – it is our most important product. To positively shape our world, we will place ourselves at the heart of a global community, combining research and innovation, student education, and knowledge exchange. We will support a small number of flagship centres and institutes that work across disciplinary, institutional and geographical boundaries to drive these activities.

¹ sdgs.un.org/goals

To reach these goals we must reduce inequality. This will require collaboration on an unparalleled scale across institutions and nations.

UN Sustainable Development Goals

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



Community, culture and impact

Our strategy has three overarching elements.

Community

To make a positive difference to the world, our community needs to be strong. Our staff and students need to work in partnership and our research and education activities need to enrich and support each other.

The internal community we build needs to reflect the communities we serve, providing equal opportunities for all and being a beacon for the diversity of our region.

Community isn't just confined to our locality, as important as that is. In our research and teaching, we focus on global issues. We pride ourselves on attracting talent from across the world to our staff and student bodies, and we benefit greatly from the different cultural perspectives they bring.

Culture

While individual success is a cause for celebration, we place greater emphasis on working together as teams to make our community successful, and building strong and supportive networks and partnerships with other academic institutions, including those in the Global South.

We are firm believers in the value of collaboration over competition in achieving the ambitious goals we set for our research, education and societal impact, and value each member of our University community, both within Leeds and beyond.

By focusing on the needs of the world, the region and our local community, we will find answers to many of the tough questions we face. A culture that combines compassion, ethical behaviour and trust, and welcomes underrepresented groups, can foster a sense of purpose that enables us all to thrive as individuals.

Impact

We can achieve greater impact and make more of a difference by concentrating our efforts on the areas in which we can play a leading global role.

We can maximise our impact on our local, regional and national communities by linking with business and the civic community, and by providing an excellent educational experience for all students.

We will seek to balance our international ambition and climate change commitments through increased use of digital technologies to reduce our carbon footprint, enabling us to remain outward looking with both global and local populations and to maximise our impact in all that we do.

Defining our values

The **Big Leeds Conversation** in 2021 gave all our staff and students the chance to have their say on what the University's new values should be through a crowd-sourcing exercise. In total, 32% of staff joined in the Conversation in its first or second round, with representation from every level, profession and faculty. Over 9,400 ideas and comments were shared, and nearly 75,000 votes were cast.

The new University values as voted for by the participants are:

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



How our strategy is being implemented

Our strategy is implemented through the delivery of major transformation programmes, including those that focus on generating new income, improving productivity and investing in infrastructure, as well as improving day-to-day operations.

Highlights include:

Research and innovation

- the **Research Transformed** programme (see page 20) and its five pillars of work embedding strategic priorities in research and innovation across the community
- plans for four new **Futures Institutes** to deliver both multidisciplinary research and postgraduate education
- launch of the **Horizons Institute**, bringing together discipline-specific experts to work together and create new solutions to major societal challenges

Student education

- the rollout of **Curriculum Redefined** (see page 27)
- the new **Digital Learning Accelerator** (see page 28) which will be live for the 2022/2023 academic year
- development of **Leeds Online**, our fully online education provision (see page 28), and initiation or renewal of several online education partnership arrangements
- a new, evidence-based, all-year-round welcome, induction and transition programme for students

International

- the expansion of impactful global research and teaching partnerships, including a successful joint school with Southwest Jiaotong University in Chengdu, China
- £2.5m funding from the government's Turing Scheme to support global mobility, which enabled 1,472 students to take part in international mobility schemes for work and study

Digital transformation

- a 'design thinking' approach for business cases for projects within our **Digital Transformation** programme (see page 34), including for a new Research IT strategy, a Digital Library Infrastructure project, a Research Management Service project and a Digital Innovation Catalyst project
- mobilisation of the **IT Digital Enablement** and **Cyber Security** programmes

Enabling strategy

All of the above is supported by an Enabling strategy which sets out foundations we will put in place to support our community to deliver the Academic strategy.



How we create value

Our business model

We live and breathe our values at the University of Leeds – they define who we are, what we do and why. They underpin our 10-year strategy and help us build a fairer future for all.

Creating value is a process of converting inputs into outputs which contribute to achieving 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 determine whether we can live up to our values and fulfil our social, environmental and economic responsibilities.

At Leeds, we create value by harnessing all resources – financial, human, intellectual, social and natural – that powers our activities, and using them to deliver value for our students, staff, partners, community and the local, national and international economy and environment.

Our Value Creation Model reflects how our Academic and Enabling strategies will deliver for our University communities. Our key performance indicators are new and we will report progress against them in future years as we develop metrics.

Our Value Creation Model



People

- Staff, students and our local communities
- Alumni, contractors, partners and benefactors



• Social and relational

- Access and student services
- Partnerships and networks with stakeholders
- Community engagement



Intellectual

- Knowledge and expertise
- Knowledge created and transferred
- Intellectual property



Natural and infrastructure

- Campus buildings
- IT and digital resources
- Leeds City Region



Financial

- Student fees and education contracts; government teaching grants
- Research grants and contracts; government grants
- Other income including residences, catering and conferences



Inputs



Research and innovation



Student education



Digital transformation



Activities



International



Value Creation Model continued

Through our activities we are delivering world-leading research, successful graduates who make a positive impact on the world, enhanced digital technologies and ways of working, and underlining our position as a truly international university



Outputs



Measured against nine key performance indicators:

1. Making a positive difference in the world. ("Doing good and doing well")
2. Sustaining a strong academic reputation.
3. Developing, supporting and retaining a diverse and inclusive staff community
4. Securing successful outcomes for our students
5. Delivering impactful research and innovation



Outcomes

6. Providing a healthy, safe and inclusive environment and enriching experience for staff and students
7. Delivering environmental sustainability
8. Sustaining an adaptive, effective and financially stable university
9. Ensuring a sustainable and balanced student cohort mix

- Economic context (impact of inflation and cost of living crisis)
- Political context (evolving government priorities for higher education and beyond)



External environment

- Demographic context (appetite for higher education and an expanding population of 18-year-olds)
- Geopolitical context (war in Ukraine, relationships with the rest of the world)
- Wider environment (moving beyond the COVID-19 pandemic)

UN Sustainable Development Goals

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



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) consolidated into the IFRS Foundation and is an approach that brings together our activity in a way that clearly and engagingly demonstrates how we deliver value – 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 develop our ability to think and report in an integrated fashion.

As this is the first time we have created an Integrated Annual Report, we recognise that this is not yet fully in accordance with the IIRC Framework. We will continue to work throughout the coming years on our approach to reporting.



Operational review



Research and innovation

We are committed to working towards meeting the United Nations’ Sustainable Development Goals.

An interdisciplinary approach

Pioneering research and innovation is essential to solving the many issues faced by the world.

Our planet faces unprecedented challenges, including climate change, economic instability, inequality, poverty and forced population displacements, that threaten the health and wellbeing of those affected.

Higher education is at the forefront of addressing these profound problems and, at Leeds, we’re determined to make a difference to the world through challenge-led, values-led research that draws on the strengths of many disciplines.

Transformational research doesn’t happen in a disciplinary or institutional silo. We must continue to develop an open, collaborative approach, working as a global community.

It’s an approach that works: 90% of Leeds research has a quality rating of ‘world-leading’ or ‘internationally excellent’, according to the Research Excellence Framework (REF) 2021.

Here’s why

We unleash the potential of our researchers

We celebrate diversity and recognise the value of all types of research outputs. We support our researchers and research staff to ensure their work can be delivered effectively.

We tackle challenges from different angles

Our high-quality research brings discipline-specific experts together to create new solutions drawing on knowledge from across the academic spectrum.

We think creatively

We remove institutional barriers to collaboration and external partnerships and encourage new ways of working: pooling expertise, sharing resources and maximising opportunities.

We diversify our resources

We partner with investors such as Northern Gritstone to develop agile commercial models for working with business. We encourage entrepreneurship and support the growth and development of high-value start-ups.

In 2021, we appointed a new Dean for Research Culture to lead on developing and delivering initiatives to enhance the research culture and environment of the University on a sustained basis. This will support both the development of our staff and the delivery of research and innovation and make a positive difference in the world.

Research Transformed

We are proud of our groundbreaking research and innovation, which shifts our understanding, offers disruptive solutions to global challenges, inspires future generations and helps upskill tomorrow's workforce and leaders.

This year we launched our **Research Transformed** programme to add focus and coherence to our research and innovation activities up to 2030.

The programme will help us understand and communicate the strength, relevance and commercial appeal of the University's research activities. It will bring thought leaders from within the University and our partners together into interdisciplinary teams and task them with working to solve problems facing the world today and into the future.

The programme brings together five key areas:

1. Academic development and performance
2. Strategic foresight
3. Research culture
4. Research efficiency and sustainability
5. Metric analysis

Research Transformed will help us build a culture that reduces short-term contracts and boosts job security, supports a healthy and fulfilled staff community, creates opportunity, and celebrates achievement.

Horizons Institute

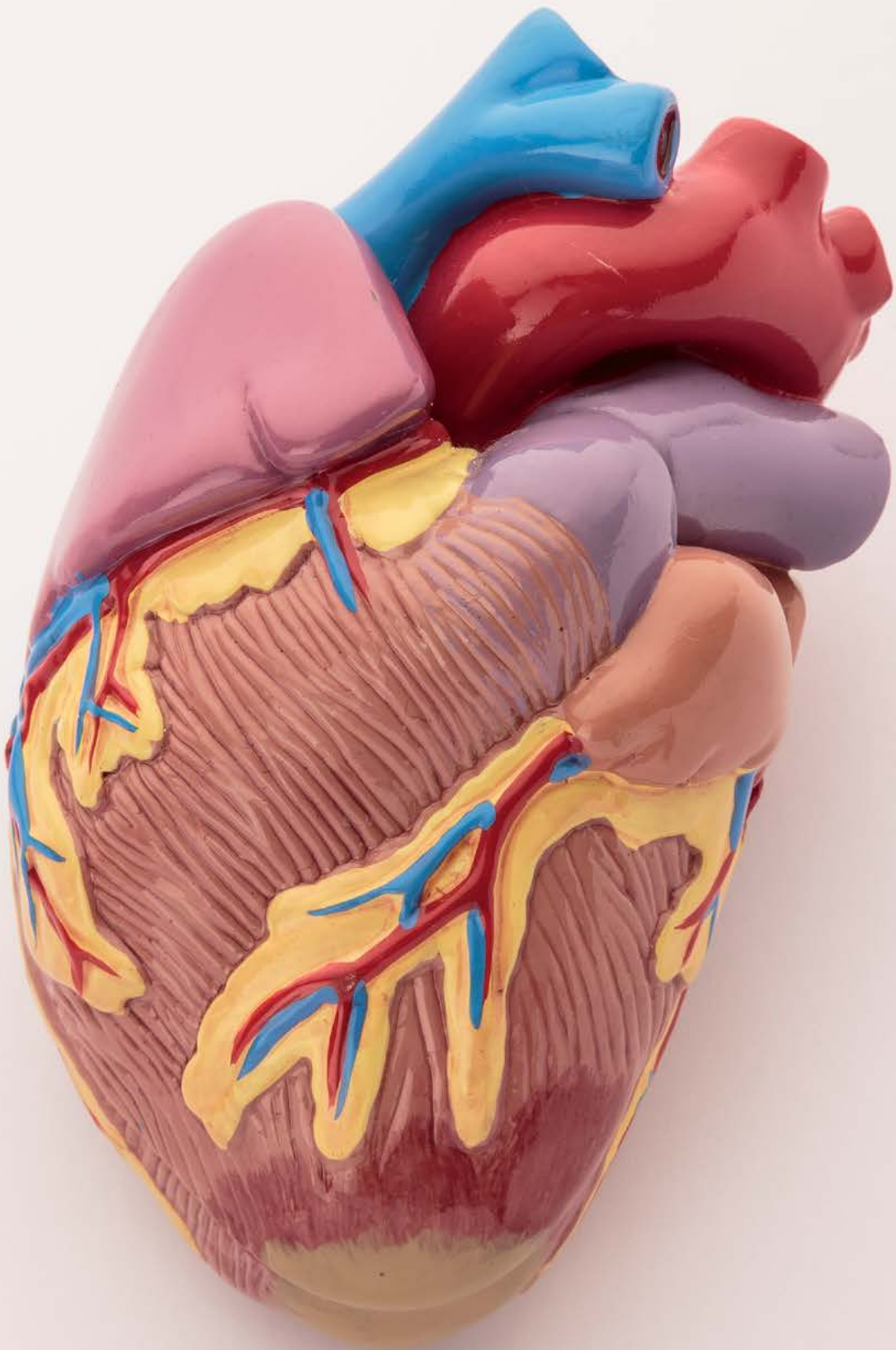
The Horizons Institute was established this year to connect colleagues from across disciplines and across sectors to respond to challenges of global significance.

The institute offers opportunities for University of Leeds colleagues to connect and collaborate with communities, Non-Governmental Organisations, charities, local authorities, policymakers, business and the public and to come together to develop interdisciplinary research and leadership skills and ideas.

“Our aim is to get researchers from all walks of life talking to each other, and to people facing real-world challenges. It is about a two-way flow of ideas and co-designing solutions.”

Stuart Taberner, Director of the Horizons Institute





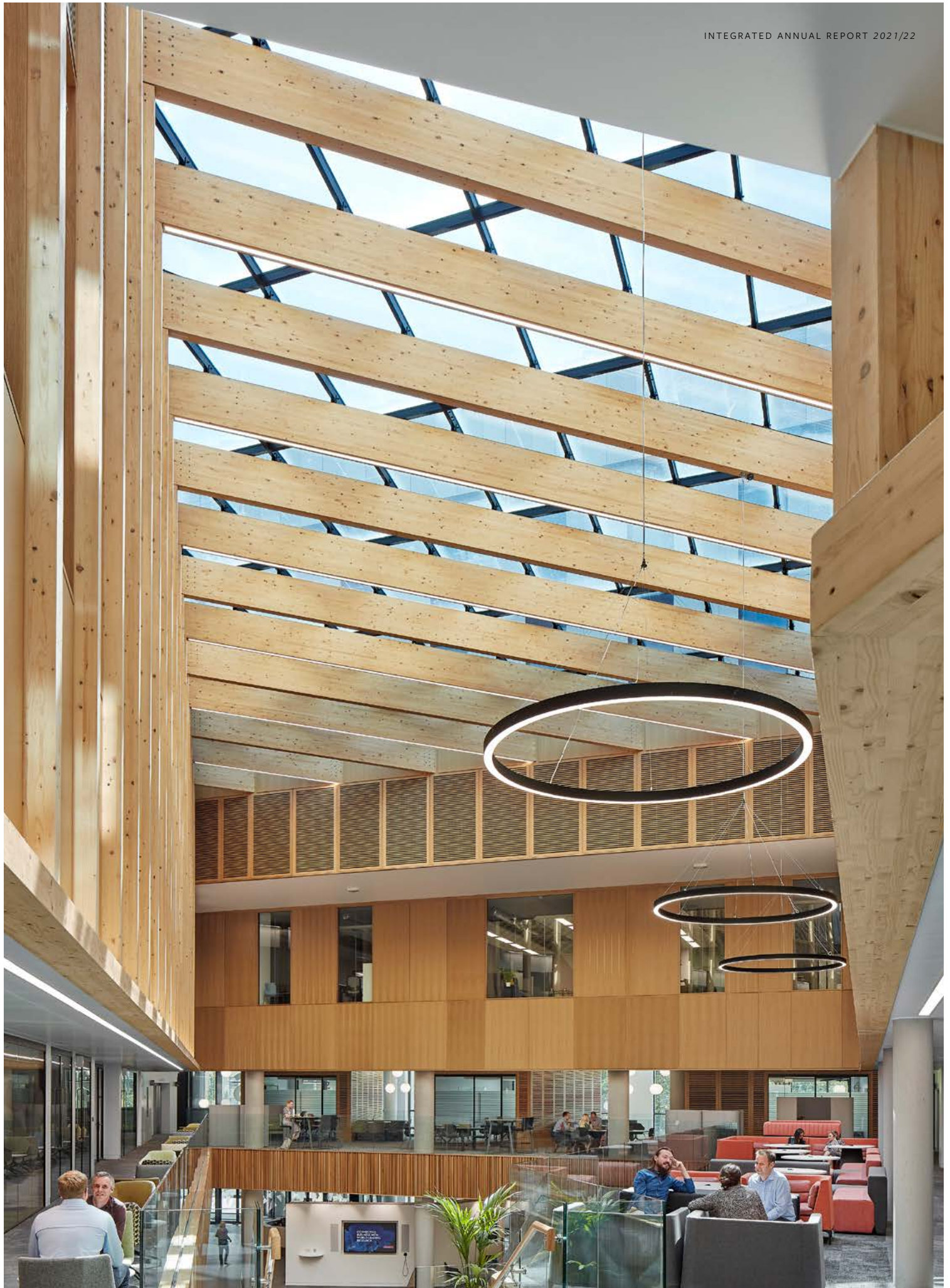
An entrepreneurial mindset

Universities are a vital part of a country's economy. Leeds is strengthening its position as a university for enterprise through initiatives and collaborations that support entrepreneurial talent at the University and in the community, and provide the expertise, support and infrastructure to help them thrive.

- **Nexus** is a vibrant hub for over 125 businesses. As a community that supports high growth, innovative businesses and academics, it has changed the way in which universities and industry work together. Nexus has supported member businesses to raise more than £35m in investment and £18m in collaborative funding – allowing them to innovate, scale up and push boundaries of knowledge. A skills and talent programme gives members access to talent at the University of Leeds and we help grow their teams through internships, consultancy, placements and graduate recruitment, along with training to support existing workforce development. Nexus has successfully developed 61 placements for our students and created more than 359 jobs.
- **SPARK** is the business start-up service based in the University's Careers Centre which offers continuing support for entrepreneurial journeys, from initial ideas to start up, growth and beyond. SPARK has secured over £494k of external funding, and generated revenue of almost £2.4m over the past year. The team has also developed a new unique scholarship which provides an opportunity to develop a business idea through a programme that is entirely based around the practical elements of business start-up.
- **Northern Gritstone** is an investment company founded by the universities of Leeds, Manchester and Sheffield, to invest in spinout companies. It achieved an initial investment of £215m and has identified four companies from the University of Leeds for funding. There's a pipeline of around 35 opportunities, with five of them investment-ready and a further two in late-stage development.
- The **Leeds Innovation Arc** brings together the University of Leeds, Leeds Teaching Hospitals NHS Trust, Leeds City Council and a network of organisations in a world-class hub for research and innovation

The University of Leeds has a successful track record in delivering commercial outputs from research, creating innovative spinout companies and licensing new technologies. We are committed in all our research activities to following the principles of honesty, rigour, transparency and open communication, and practising care and respect for all participants. The University fully complies with the Concordat to Support Research Integrity and we have our own policy on research integrity.







Showcasing our research in the community

Our annual research open day, **Be Curious**, came back to campus after the COVID-19 pandemic and was extremely well received by academics and members of the public, who could interact, share ideas and learn from each other.

They could also pick up a copy of our first children's book, *That's Amazing, Mum!*. This initiative turns research at the University of Leeds into enjoyable books to help inspire children's curiosity and creativity. Over 1,000 free copies have been distributed across the city, with the help of primary schools, food banks and charities. Be Curious was also shortlisted at the Child Friendly Leeds Awards 2022 for its "overall contribution to making Leeds a child-friendly city", recognising the University's public value for children.

Through our new online and interactive **LATES** evening events, which encourage adult audiences to get to grips with our world-changing research, new national and international audiences learn about our research and are inspired to think in new ways. LATES also help us make wider connections and identify further opportunities for research.

Rewarding excellence

Celebrating success is a huge part of making people feel part of a team, community or organisation. It is integral to our values of integrity, inclusivity, collaboration and compassion, and fundamental to our strategy.

This year we launched the inaugural **Research Culture and Engaged for Impact awards** – two schemes recognising the changing research culture and attitudes towards impact. Both awards celebrate the contribution of everyone involved in research projects, above and beyond the traditional markers of success such as grant income or output citations.

Our **Further Together** campaign celebrates the collaborative achievements of our groundbreaking research community, sharing stories that highlight not only the research leaders making the headlines, but also how the teams of technicians and professional services colleagues contribute to making our research a success. The University's research touches so many lives; Further Together helps spread the word and celebrate the immeasurable impact.

University spinout close to anticoagulant breakthrough

Effective collaboration between the University of Leeds, and our contract research organisations (CROs) has helped a University of Leeds spinout company generate over £13m of funding and win three ‘best start-up’ awards.

LUNAC (Leeds University Next-generation Anti-Coagulant) Therapeutics is developing the ‘holy grail’ of anticoagulant treatments – providing high protection against clotting without the risk of significant bleeding.

It was founded in 2018 by Professor Helen Philippou and Dr Richard Foster in a collaboration between the schools of Medicine and Chemistry.

Professor Philippou explains, “We secured proof of concept funding from the University at first. Then we gained external funding from the Medical Research Council Development Pathway Funding Scheme, which allowed us to develop the series of compounds.”

“Following that, we secured funds from the British Heart Foundation and the Wellcome Trust Seeding Drug Discovery Initiative.

“Once we had exhausted all our potential translational funding options, we needed to spin out to continue what we were doing.”

The spinout was supported by the University’s Research and Innovation team.

“We all worked together. We had regular operational meetings and our investor helped us a lot, particularly with understanding the legal side.”

LUNAC has since appointed a CEO, established a board and secured funding from Innovate UK (£3.4m) and from life science investors (£10.1m). These vital funds have supported, amongst other activities, a large amount of work outsourced to the University of Leeds in pursuit of the next major goal – the development of an oral drug.

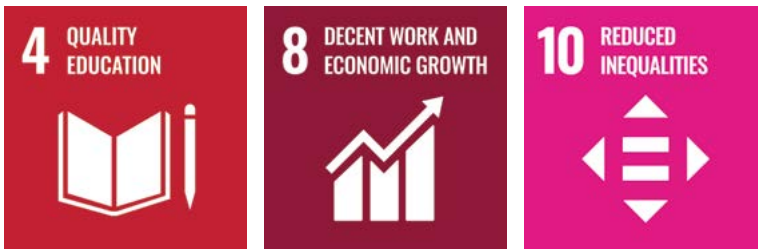
As well as excellent support from the Research and Innovation team, Professor Philippou commends the hard work of the many post-docs and researchers the team has worked with over the years. All have given years to this research, which is slowly getting closer to achieving its goal.

In the past year, LUNAC has won the Bionow Start-Up of the Year award and Medilink Start-Up of the Year awards at both regional and national level.



“Trying to secure investor funds is very different to applying for grants. We needed to learn how to attract those funds, what investors expect, and how to organise a company.”

Professor Helen Philippou



Student education

The support to succeed

We're committed to a student-centred, design-led approach to student education, which equips graduates with the skills, talents and opportunities to succeed in whatever field they choose and make a real difference to the world around them.

Our Student Education strategy encompasses four key areas:

Partnership: we engage students as partners in their education through active and inclusive approaches to learning and research-based content.

Transformation: we provide an outstanding education that is underpinned and enhanced by sector-leading pedagogies, digital resources and technologies.

Belonging: we foster an engaged and lifelong community of students, staff, alumni and partners.

Sustainability: we ensure that our approaches to delivering a high-quality, research-based education for all embed financial, social and environmental sustainability throughout.

This year has been notable primarily for the mobilisation of our Curriculum Redefined project and Leeds Online, our fully online education provision. Both initiatives have been brought into sharp focus by the experiences of the COVID-19 pandemic, which accelerated the efforts of every school, college and university in the country towards a curriculum and modes of delivery and engagement that work for everyone.





Curriculum Redefined

We're spending £10m every year over the next five years to design and build a unique curriculum, redesigning learning programmes and working collaboratively with our students to develop the knowledge and skills they need to make a positive impact as global citizens.

Success for our students means that they will graduate capable of leading in their communities and addressing the opportunities and challenges the future presents.

Curriculum Redefined will help us drive our Student Education strategy by harnessing active and inclusive learning, evidence-based pedagogies, interdisciplinary teaching and greater use of digital resources. Students will be able to rely on a student-centred, collaborative approach to their studies, clash-free timetables, a clear and fair approach to assessment, and a greater focus on ambition and outcomes.

Our staff will benefit from increased support and professional development and a rationalised portfolio of programmes, with fewer modules and simplified curricula resulting in reduced workloads.

Curriculum Redefined also supports the University's other strategic initiatives such as the Digital Transformation strategy and the Student Lifecycle Programme.

Progress this year has focused on developing the programme portfolio for 2023 and 2024 entry. We have been finalising the five pedagogical principles that will underpin the pedagogy aspects of Curriculum Redefined, and a new Educator Professional Development programme for staff has been developed for the 2022/23 academic year.

Over 75 new transformative educators have been recruited to the University of Leeds. Our new colleagues will play a vital role in the success of the Curriculum Redefined project. Alongside delivering inspiring and innovative teaching practices to Leeds students, they will also dedicate time to work within their departments to embed evidence-based, authentic, and transformative approaches to education that are unique to the University.

“We need to change the status quo at Leeds to create a curriculum that is sustainable yet gives real choice to our students and brings joy to each of us.”

Jeff Grabill, Deputy Vice-Chancellor: Student Education



Leeds Online

The development of Leeds Online, our fully online education provision, will be a key part of delivering the new curriculum. Our aim is to deliver 65 fully online degree programmes and support for over 10,000 online students within 10 years.

Leeds Online is a vehicle that enhances and expands our educational provision and provides an outstanding education, enhanced by sector-leading pedagogies, digital resources and technologies. It will usher in a student experience that gives online learners a real sense of belonging to the Leeds community while they achieve their full potential, and supports our marketing and recruitment teams with enrolment and onboarding. Long term, the ambition is that Leeds Online will provide University-wide support for all online, distance and hybrid programmes to ensure a consistent student experience.

Digital Learning Accelerator

The Digital Learning Accelerator, which will be live for the 2022/23 academic year, will provide an integrated space enabling experimentation and collaboration in the design and deployment of educational technologies using media production facilities and functions such as extended reality (XR). The space will aim to foster enterprise and creativity, and include an area for an active and flexible classroom.

While there is a solid base of media production and design skills at the University, this has been largely concentrated on videography and simple media, including animation and graphic design. We have also developed a reputation in recent years as a centre of excellence in XR, mainly focused on research and innovation. The Digital Learning Accelerator gives us the opportunity to build on this work and extend the benefits of these technologies to the student community.

Access and student success

Our commitment to ensuring students from all backgrounds can progress to, and benefit from, an enriching and successful experience is reflected in our **Access and Student Success strategy**. The strategy encompasses four pillars – access, continuation, attainment and progression. It is centred around a vision in which our students feel they belong, can thrive and are valued for their unique contributions.

“Together we can ensure that diverse communities can see themselves studying at Leeds, feeling they belong, matter and can thrive.”

Louise Banahene, Director of Educational Engagement

Progress against targets and priorities includes:

- implementation of strategies across outreach, admissions and marketing, which has included an extensive outreach programme reaching more than 400 schools and more than 30,000 learners
- collaborative work through our leadership of Go Higher West Yorkshire, a consortium of local higher education providers and an expansion of our contextual admissions programmes, such as Access to Leeds, aiming to increase the proportion of those students who are traditionally least likely to progress to higher education
- endorsement of institutional targets and strategies to increase diversity at postgraduate research level
- improvement in continuation rates (the proportion continuing their programme from year one to year two) from 95.5% in 2017/18 to 98.2% in 2020/21, particularly amongst under-represented groups
- reduction in the awarding gap amongst Black students from 29% in 2017/18 to 15% in 2020/21



Employability

To prepare our students and graduates for diverse career paths and the changing workplace, and to give them a sense of fulfilment, we encourage them to become lifelong learners. We also work with employers to ensure students have opportunities to engage with authentic work-related experiences and support academics to ensure programmes are relevant and responsive.

To enhance our students’ career prospects, we have:

- developed a new **Student Opportunities and Futures strategy** setting out how we will support students to develop and articulate the attributes, skills and behaviours needed to achieve their goals and aspirations
- significantly increased on-campus employment opportunities for students through our **Campus Internship Scheme**
- employed student peer support assistants to engage students and deliver careers information
- partnered with universities in the city to deliver **InLeeds**, a programme of support (and a West Yorkshire Combined Authority-funded project) aimed at retaining graduate talent in Leeds
- developed further exclusive opportunities for our students and graduates with key strategic partners such as Leeds City Council
- secured Turing funding for over 700 eligible participants who applied in 2021/22 for qualifying placements

Leeds students are greatly prized as graduate employees and placement students. Here are a few comments from employers who have offered placements to students from the University.



“Emma is a great team player and has always been happy to support many team projects and individuals. A superb communicator who provided me with the confidence to present findings to senior leaders and key stakeholders, Emma is going to be greatly missed by myself and the wider team.”

ARCUS
(facilities management)

“It was an absolute pleasure having Logan as a part of the team at SharkNinja over the past year. She showed exceptional growth during her time and displayed excellent competence in CAD, prototyping, ideation, testing, research and development. She will be greatly missed by the team and brought a great attitude to work, with a willingness and curiosity to tackle any challenge or problem. I have no doubt this will set her up well for a great career ahead.”

SharkNinja
(home appliances)

“At Reckitt, we greatly value students from the University of Leeds. The students bring with them and carry through the values of the University, including collaboration, inclusivity, compassion and integrity, which overlap significantly with some of the core Reckitt values.”

Reckitt
(health, hygiene and nutrition products)

“Jake has proven to be an extremely pleasant and capable student/employee. He has demonstrated competence in 3D CAD, mechanical assembly of products and assembly of printed circuit boards. He is a valued member of the team and is well regarded by everyone he has come into contact with during his time at Robotas.”

Robotas
(smart production technology)



Inclusive trader

Rupa Ganguli FRSA is an Indian social entrepreneur and campaigner for sustainable development and equality within the textile industry. Her journey from the wholesale markets in Mumbai to the World Trade Organization (WTO) and United Nations, via Leeds, has been driven by a passion to help consumers and organisations make ethical choices through the goods and services they buy.

As a 17-year-old economics student “full of curiosity” she chanced upon a busy Mumbai wholesale market brimming with colourful fabric and “a lot of people who knew what they were doing”. She persuaded a seller to help her buy some leftover fabric, and with it she made her own outfit.

Rupa’s ingenuity grew into a contemporary fashion business, first selling to her friends and then later to the wider community. Rupa doesn’t recall India’s retail sector being large at the time and her fledgling business caught the eye of the local press.

“I had to get a bank account, which was a big deal back then,” said Rupa. Her entrepreneurship helped secure a postgraduate degree at India’s premier school for fashion technology (NIFT, New Delhi) and she went on to gain a scholarship to study textiles at Leeds where she developed her interest in international trade. *“It opened up a world of opportunity for me. For my thesis, I was keen to use a working case study and found a project in New York in a fashion company where I was exposed to the everyday working of the textile and fashion industry”.*

With her global connections Rupa founded Inclusive Trade (inclusivetrade.com), an e-commerce platform that enables small local artisans to sell sustainable and rare products to run on global audiences.

Whether the products are fashion, accessories, homeware, jewellery or even chocolates, Inclusive Trade makes it easier to share the stories of creators all over the world. *“What’s more, the majority of these wonderful products are made by women, or the process is led by women.”* Every artisan and vendor is verified for impact against the United Nations Sustainable Development Goals on gender inclusion, social and environmental impact.

Alongside supporting artisans, Rupa is passionate about encouraging consumers to buy responsibly. *“We often say that the fashion industry isn’t responsible enough, or that government regulations aren’t strong enough in terms of ethical standards, or that the big brands and retailers push prices down. However, a lot of that could be solved if we as consumers started making choices that meant we actually live an ethical lifestyle. Making small and meaningful choices will go a long way.”*



International

A global perspective

Leeds is an international university, with students and staff from more than 170 countries, and partnerships with universities around the world.

Gaining an international perspective means looking beyond local and national boundaries and recognising the impact we can have, and the lessons we can learn, from other cultures and ways of working.

At Leeds, we prioritise the fostering of an international mindset in everything we do, and undertake major international collaborative projects, including key research and educational partnerships with the Global South. More than 30% of our students spend some time overseas during their time at the University.

We are building a globally connected community of students, staff and alumni, all of whom enrich our organisation, increase our diversity and help seed our values and share our story in their home nations.



International partnerships

We're a founding member of the **Worldwide Universities Network (WUN)**, which consists of 24 research-led universities collaborating on research, postgraduate degree programmes and continuing professional development.

The network brings together researchers from around the world to work together on some of the most pressing global challenges, including climate change and public health.

Leeds is also a member of the Japan-UK **Research and Education Network for Knowledge Economy Initiatives (RENKEI)** and the **UK-Jiangsu 2020 (China) World Class Universities Consortium**, along with many other education and research networks worldwide.

We are proud to partner with a range of international scholarship organisations offering educational opportunities to students from a wide range of countries. Each year we offer scholarship awards in partnership with the China Service Centre for Scholarly Exchange, the Fulbright Commission, Marshall Scholarships, Chevening, the Commonwealth Shared Scholarship scheme and many more.

Some of the recent highlights of our international partnerships include:

- mapping the full scale of a vast region of peatland in the Congo basin in collaboration with scientists from the University of Kisangani in DRC, which revealed that the world's largest tropical peatland is 15% bigger than previously thought
- building globally sustainable food systems through a summer school at Leeds for the Food Systems Research Network for Africa (FSNet-Africa). Fellows from six African countries joined with colleagues at Leeds in exploring areas such as skills training on food innovation and entrepreneurship, visiting the University farm to discuss its key activities and touring our environmental observatory, as well as learning how to create impact from research
- an international team of scientists, led by the University of Leeds, assessed how robotics and autonomous systems could help or hinder the delivery of the UN Sustainable Development Goals
- securing Turing funding for more than 700 eligible participants in 2021/22
- over 900 students undertaking an overseas placement



International policy for impact

Roland Maposa is a postgraduate researcher in the International Business department at Leeds University Business School, working on a thesis entitled ‘International Business Policy: How it impacts inclusive economic growth and sustainable development’.

With an undergraduate degree in Contemporary and Professional Studies and an MSc International Business (with study abroad), both from the University of Leeds, Roland brings an interdisciplinary approach to his work. His research is supported by a Leeds University Business School International Business Scholarship.

Specifically, Roland’s research looks to understand how international business policy informs inclusive economic growth and sustainable development, focusing on intra-regional trade. The interdisciplinary nature of the research includes perspectives from international business, sociology, and economics. His research aspires to meet the University’s PhD studentship that calls for criticality and knowledge creation that makes and creates an impact, in order to inform theory and policy.

“The topic I’m working on is international business policy and how this informs inclusive economic growth and sustainable development. This argues for the inclusion of everybody within a society in the growth of an economy.”

“I knew before I came to Leeds that the University had one of the largest offers for international opportunities. So, in my first year, I was fortunate enough to participate in the Leeds to New York Leadership Programme. In my second and third years, I took part in a summer school and a ‘Doing Business in China’ tour. During my MSc, I went on an international study tour to Zurich and was an incoming exchange student at RSM Erasmus University in Rotterdam.”



Digital transformation

Engage the world differently

Digital transformation is at the core of our 10-year strategy.

We are committed to using digital technologies, data and digital approaches effectively, creatively, innovatively and in a research-informed way to:

- enhance our students' learning and experience, to provide and enrich learning opportunities for individuals globally
- enhance our research activity and impact to tackle global challenges
- improve the University's processes, infrastructure and physical estate

Governance for the new Digital Transformation Programme was mobilised in February 2022, adopting a design thinking approach to inform the scoping and development of the business cases for the eight projects identified as priorities.

“Meaningful digital transformation can only happen when we find ways of using digital media that contribute to greater appreciation of our world and everyone in it.”

Dr Leah Henrickson, Lecturer in Digital Media

Making progress

Progress against the Digital Transformation strategy has been substantial.

Improving our capabilities to conduct high-quality, collaborative and globally impactful challenge-based research and innovation

Following extensive consultation with academics, a new **Research IT strategy** has been agreed, which sets out our ambition to provide technology capabilities and services to ensure researchers have the tools and support to undertake high-quality research.

Through the Digital Transformation strategy and aligned to the Libraries Vision, *Knowledge for All*, scoping activity is underway on the Digital Library Infrastructure project. A key aim is to increase and facilitate collaborative opportunities by digitising content and developing a cloud-based workflow storage and discovery platform.

Enhance our educational provision and grow our fully online education portfolio.

Work has started to establish an equitable network of collaborators across the Global South and North to co-create open, community-based lifelong learning opportunities around key Sustainable Development Goals.



Enabling a values-led organisation

Enabling strategy

Our Enabling strategy aims to align our organisation, community, campus and societal role with our academic ambitions. It's rooted in our determination to build on our strong sense of community at the University, and develop a supportive, collaborative culture, in which everyone works together towards common aims, values and behaviours, regardless of hierarchies or whether they sit in a service or academic area.

Key elements of the strategy include:

- developing and rewarding our staff, while reducing short-term contracts and boosting job security
- refreshing how we're organised and work together to overcome barriers to collaboration, and enhancing our agility, efficiency, effectiveness and impact
- realising our place in, and positive impact on, society, locally, nationally and globally, including in relation to addressing climate change
- harnessing digital technology and data-enabled insights to improve how we work together and 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, and the Enabling Strategy will underpin that effort, providing the foundations for a strategy that's for all of us.

Fairer future for all

Creating a fairer future for all – our staff, our students and the global community – is the ultimate strategic aim of the University.

In relation to staff, the University has made three primary pledges:

- to reduce the number of short-term contracts and boost job security. Work on fixed-term contracts will positively affect more than 1,000 existing staff, as well as new joiners. Over time, it will include all contract types and ensure fair and secure employment practices for all staff
- to support a healthy and happy staff community, we are reviewing all our people processes and challenging our established ways of working to ensure they support and encourage the growth of our diverse community, for example, through refreshing our recruitment practices. We are also exploring financial and digital wellbeing, as well as more traditional physical and mental wellbeing support
- to create opportunity and celebrate achievements





Equity, diversity and inclusion (EDI)

Our EDI strategy is holistic and recognises that EDI must be approached in the round, using targeted action to focus on a wide range of issues, from bias and discrimination, to inclusion, to access in physical and digital spaces, to our ambitious work in decolonisation – and, essentially, to foster the synergies between activity in these different areas.

We'll build truly inclusive research communities, creating a healthy environment within which people and ideas, research and researchers can flourish. We will redouble our efforts in student education and wellbeing to enhance the sense of belonging that is so crucial for everyone learning at our University. The research and the evidence show that, if we get that sense of belonging right, so much else will follow – student outcomes, wellbeing and a sense of fulfilment, and ultimately the drive towards sustainable global change – as our graduates go on to become change makers.

Other EDI initiatives include:

- implementation of strategies to enhance a sense of belonging at Leeds
- continued work on embedding EDI in strategic decision making
- development of decolonising education principles
- improved reporting tools
- work on equitable access to postgraduate research
- progress towards more inclusive recruitment practices
- targeted scholarships
- recruitment to critical roles to take forward all of this work

COVID-19 shone a light on pre-existing inequalities, bringing many of these into sharp focus and highlighting many challenges, from pay and award gaps and recruitment and promotion gaps, to unrepresentative curricula, under-representation in our staff body, lack of inclusion, stigmatisation and discrimination, and feeling unsafe in working, learning and living spaces.

These issues are reflected in broader society and universities are vital players in finding solutions to which we are fully committed in playing our part.

Postgraduate equity

Two major new research projects to improve access to, and participation in, postgraduate research for ethnically minoritised students are under way at the University.

Generation Delta addresses the underrepresentation of ethnically minoritised students – especially women – in postgraduate research.

Leeds is partnering with Goldsmiths (University of London) and the universities of Plymouth, Reading, Sheffield and Sunderland in the Generation Delta project, designed to lay the foundations for a long-term increase in the number of Black female professors at higher education institutions in England.

Working with a group of Black female professors in the Black Female Professors Forum, the project will address inequities at three key stages of the postgraduate research life cycle – admission, retention and progression – and career training.

The Yorkshire Consortium for Equity in Doctoral Education (YCEDE) will work with the universities of Bradford, Sheffield, Sheffield Hallam and York to adapt and adopt international best practice on access and the on-course postgraduate researcher experience, including improved advice and guidance for preparing PhD applications, contextual admissions and PhD mentoring.

YCEDE will tackle inequalities in postgraduate research access through evidence-based, systems-change innovations that reshape institutional policies and procedures for recruitment, selection and retention of postgraduate researchers at scale, and for the long term.

It will deliver profound structural and cultural change in higher education practices across a diverse set of Yorkshire universities, thereby developing a beacon of best practice that can be shared more widely to enhance opportunities for postgraduate researchers of colour nationwide.

A major plus



Sachini Pattiya Hewage is a MBChB Medicine and Surgery student. She volunteers as a student host with the University's Plus Programme, for students who come from backgrounds that are less represented at Leeds.

"I am from a low-income background and none of my family have gone to university, so I didn't know what university was like. I wished I had the opportunity to talk to university students while I was at school," she says.

"The Plus Programme really helped me during the transition to higher education, and I want to give that back to other students who might not feel confident in applying. Many would feel that university is a scary place, but this is not true at all."

The programme supports students throughout their time at Leeds, including financial support for internships, interviews and conferences, mentoring opportunities, support for care leavers and those estranged from their families, and to exclusive free events to help build skills and confidence.

Sachini says she used to be quite shy, but her confidence has improved.

"Being a student host gave me so many opportunities to improve my communication and teamwork skills. It also changed my mind set to take any opportunity that gets thrown at me regardless of how scary it might seem initially. This was something my previous self wouldn't have done. My organisational skills, especially online, have also improved.

"Being a host, and the confidence it has given me, has pushed me to apply to be a vaccinator, and has helped me a lot with interacting with the public and reassuring them about the whole process of getting a vaccine. I am studying to become a doctor but the skills I have developed will help me."





Sustainability

Making a difference

As a signatory of the UN SDG Accord and the UN Global Compact, we are committed to embedding sustainability into our decision-making, operations, research and curriculum.

Our 10-year strategy is rooted in our desire to make a difference in the world. We are implementing an institutional approach to the UN Sustainable Development Goals, making an impact locally, nationally, and internationally.

COP26 participation

In November 2021 the eyes of the world were on the UK as COP26 was hosted in Glasgow. Our staff and students participated in the delivery of 49 events and exhibitions covering a diverse range of topics, from the role and expectations of young people, to just transitions in agriculture, transport decarbonisation to universal energy access, peatland preservation to Antarctic ice loss, gender and diversity in climate resilience and much more.

Leeds’ academics and research featured more than 500 times in COP 26 articles, interviews and quotes across international media platforms.

£3.3m

Invested in Living Labs and Positive Impact Partnerships up to 2030

Climate Plan and Pathway to Net Zero

In November 2021 we published our Climate Plan, which maps out how we will deliver seven climate principles:

- delivering net zero by 2030
- achieving sustainable travel
- supporting a net zero city
- shaping institutional decision making
- enabling responsible investment
- reorienting research and teaching
- providing a sustainable curriculum

Our **Pathway to Net Zero Emissions by 2030** strategy was also approved.

Progress towards our Climate Plan is reported quarterly, and an annual review of our approach will be led by the University of Leeds Priestley International Centre for Climate in autumn 2022.

Detailed feasibility studies have begun on our estate for building retrofit, energy efficiency works, infrastructure upgrades and on-site renewables and place in a good position to commence projects in the next financial year. A sustainable travel consultant is leading a participatory process on how business travel emissions can be reduced. As part of our net zero pathway, final designs have been developed for **Gair Woods**, a new University woodland planned to enhance local habitat, capture carbon and act as a teaching and research facility.

A new **GeoSolutions Leeds** research centre and a research team have been established to lead a **SubSurface NetZero** project, exploring subsurface energy as a low-carbon, renewable source. A further range of workstreams has been initiated with a focus on embedding sustainability in the curriculum, including a Leeds Institute of Teaching Excellence Fellowship.

We continue to work with local partnerships supporting a net zero city principle, including the Leeds Climate Commission, Yorkshire and Humber Climate Commission, Nexus, Leeds Beckett University and Leeds City Council, with £3.3m having been invested in Living Labs and Positive Impact Partnerships up to 2030.

Embedding sustainability

The University's staff engagement programme continues to grow, as 36 Blueprint teams bring together Schools and Services and empower them to deliver the sustainability actions that are most important to them. These are supported by a growing community of Staff Sustainability Architects – a network of colleagues working on sustainability objectives within their areas of work.

Our staff completed nearly 400 training hours in 2021/22 and we launched a refreshed version of our online Sustainability in Practice module.

We are a leading institution for learning and teaching in sustainability and climate change, reflecting and supported by our world-leading research portfolio and ensuring students graduate as global citizens equipped to tackle sustainability challenges in an equitable and just way. Over 11,000 students completed one or more of 369 sustainability related modules.

Our annual Student Sustainability Research Conference brought together students from across all levels and disciplines to showcase their sustainability related research, projects, performances and disciplines.

We continue to develop ways to provide students with the opportunity to work with us in delivering sustainability at Leeds, to develop skills and experience and to build a sense of belonging. This year we employed two full time Sustainability interns (on a year in industry) and 13 part time Student Sustainability Architects working on projects including single use plastics removal, mapping sustainability in the curriculum and developing sustainability trails on campus.

We continue to grow our **Living Lab** – using our spaces as a test bed for researching and trialling sustainable solutions.

Environment

Our Environmental Management System, accredited to the internationally recognised standard ISO 14001:2015, was maintained in 2021/22.

Our award-winning campus **Biodiversity Monitoring** programme was refreshed, and the team were pleased to secure a silver 'Hedgehog Friendly Campus' award.

Hosted by the University of Leeds, the **Yorkshire Circular Lab** links academic and operational knowledge to co-create solutions to real world problems. Plans for the lab were co-produced with stakeholders across the region.

We're working to eliminate single use plastic items from the University and from Leeds University Union (student's union) operations. In 2022, students and staff were invited to take part in the **Big Plastic Count** to help us identify further areas where single use plastics can be eliminated.

We have grown our **Sustainable Laboratories Network (SLabs)**, to build action and share best practice on sustainable science across campus. Having introduced LEAF (Laboratory Efficiency Assessment Framework) to the University in 2021, we now have a total of seven bronze and two silver certificates, covering more than 30 labs. A further seven groups of labs are currently working towards LEAF certification.

Leeds research inspires glacier names

Following research by PhD researcher Heather Selley, from the School of Earth and Environment, nine areas of fast flowing ice in the Getz basin in the Antarctic have been named after locations of major climate treaties, conferences and reports to mark the hosting of the COP26 climate change conference in Glasgow in November 2021.

Heather's study, published in February 2021, revealed that 315 gigatonnes of ice has been lost from the Getz region over the last 25-years, adding 0.9 mm to global mean sea level – the equivalent of 126 million Olympic swimming pools of water.

To mark 42 years of collaboration on international science and climate policy decision-making, Heather successfully requested that the nine unnamed glaciers in her study be named after the locations of major climate treaties, conferences and reports. Endorsed by the then Prime Minister Boris Johnson, the names have now been added to the international Composite Gazetteer for Antarctica, for use on maps, charts and future publications.

“Our study was the first to show that [melting of the] glaciers in this remote region of Antarctica were speeding up,” says Heather. “The glaciers are named in chronological order, with Geneva Glacier marking the first ever climate summit in 1979 on the west of the Getz study region and Glasgow Glacier marking the COP26 on the east.”

“Naming the glaciers after these locations is a great way to celebrate this international collaboration on climate change science and policy over the last 42 years. We wanted to permanently mark the outstanding effort the scientific community has put into measuring the present-day impact of climate change, and its predicted future evolution.”

The nine newly named glaciers are:

- the **Geneva Glacier** which flows at the western end of the Getz Ice Shelf and was named after the world's first climate conference in 1979
- the **Rio Glacier**, lying further east and commemorating the first Earth Summit in 1992
- the **Berlin Glacier**, which flows further east and is named after the first Conference of Parties (COP) in 1995
- Still further east, the **Kyoto Glacier** which commemorates the formal adoption of the Kyoto Protocol at COP3 in 1997
- the **Bali Glacier**, which marks the release of the Intergovernmental Panel on Climate Change fourth assessment report (AR4) in 2007
- the **Stockholm Glacier**, honouring the Intergovernmental Panel on Climate Change fifth assessment report (AR5) approval session in 2014
- the **Paris Glacier**, which memorialises the agreement of the legally binding treaty in 2015 which aimed to limit global warming to well below 2°C, preferably below 1.5°C, compared to pre-industrial levels
- the **Incheon Glacier**, which marks the meeting of the IPCC to consider the special report of global warming of 1.5°C in 2015
- the **Glasgow Glacier**, which flows at the very east end of the Getz basin and is named after the location of the 26th UN Climate Change Conference of Parties (COP26) in 2021

Social impact

We are committed to engaging and collaborating with our local community and our civic partners, with a focus on public good and driving benefit to the region in particular in post-pandemic recovery. Central to this is ensuring our students and staff feel they are, and are seen to be, active and positive citizens.

This year we provided good citizenship training, guidance and support to 1,856 student households, including those engaged in our **Community Ambassadors initiative**, who provide essential information to support our students moving into the community and getting to grips with independent living.

Through our **Community Projects Group**, we are building positive relations between students and the wider community. The group, which is chaired by a Leeds University Union officer, brings together a wide number of community representatives.

The group has been able to develop community projects and provide volunteering opportunities throughout the year for our students, staff and local residents. Our students completed 190 hours of volunteering on projects including community litter picks, gardening at a local school and at our repair cafés. More broadly, 187 volunteering opportunities were generated by 84 third sector partners; more than 350 volunteering opportunities were generated by 45 of our community schools partners and 4,467 individual students engaged with the volunteering hub.

Building on the success of the **Big Clear Out**, we piloted a **Good to Give** approach and campaign this year to increase the number of doorstep collections for students to donate their unwanted belongings at the end of term. A joint project run in collaboration with nearby Leeds Beckett University and Leeds City Council, this has intercepted more than 39 tonnes of valuable goods to date and passed them, free of charge, to local people in need.

Our libraries and galleries, through their new vision **Knowledge for All**, are establishing themselves as critical knowledge and culture hubs for the University and the wider community, connecting ideas, knowledge and people for new innovations, discoveries, and experiences. The libraries are increasingly working with Leeds City Libraries to develop projects that make a difference to our local communities, such as digital and information literacies for refugee and asylum seeker communities, and to support our communities in having warm safe spaces during times of crises.



Outlook

A taste of programmes and initiatives currently in development or on the launchpad for this coming academic year.

Delivering global impact

Democratising knowledge and opening up access to quality higher education for all is vital if we are to empower people from around the world to solve global problems like health inequalities, the climate crisis, societal movement and forced population displacements. We're launching the **Knowledge Equity Network** to open up higher education to those who could use the knowledge and training held within universities to make a difference.

The initiative has been launched internally and we're looking to attract new partners from around the globe. The University has invited every party involved in higher education to join us at an open summit to formally launch the Network, to develop actions to take forward and to establish a challenging and realistic Declaration.

Our four new **Futures Institutes**, aligned to pressing global challenges (Climate, Education, Health, Societal) will exemplify our strategy to combine research and innovation, knowledge exchange and education to deliver global impact, generating academic outcomes that could not be achieved by individual faculties or schools.

“We’re facing huge global problems, and one of the things that’s holding us back is that not everybody has access to the knowledge and training that will empower them to deliver solutions. We firmly believe that open equitable access to knowledge is fundamental to solving these problems. The Knowledge Equity Network will be a coalition of the willing to really change the world.”

Professor Nick Plant, Deputy Vice-Chancellor: Research and Innovation, talking about the Knowledge Equity Network

Enhancing educational provision

As part of the **Curriculum Redefined** strategy, a new streamlined curriculum structure has been drafted for consultation with the University's academic schools, with a view to this structure being in place for all programmes for September 2024 entry. A new capabilities framework (Skills and Literacies) has been approved to guide new programme design work.

Following approval by our governing body of the **Academic Strategy for Growth of Fully Online Education** in March 2021, a full business case has been developed which aims to significantly improve our online offering over the next 10 years.

Digital Student Experience Journey is a major cross institutional project which has mapped the entire digital student experience from arrival to graduation. This is now leading to the preparation of a business plan for investment to create a new digital student journey including in phase one, a student profile, personal dashboard, universal calendar, digital campus navigation and online query handling.

The University is in the process of establishing a global network which will focus on making the world a better place through research and teaching partnerships with universities in the Global South. The network would aim to transform the role of higher education institutions into transformational global partners, leading the successful and equitable achievement of the UN Sustainable Development Goals (SDGs).

Finally, work is in progress to align the University's Access and Student Success strategy with the Digital Transformation strategy initiatives, for example Learning Analytics and User Relationship Management.

Digital Futures

‘Digital Futures’ is an important strategic programme within **Knowledge for All** – the University's Libraries vision for 2030.

It's five strategic priorities are to:

- become a centre for excellence in providing and developing digital academic literacies. It will instil in our students transferable digital skills for them to succeed in their study and work, and support them in countering digital and data deluge, through all stages of their study
- develop a holistic, user-focused, personalised digital experience for our users through audience and behaviour mapping, data analytics, and machine learning. Enable automated enquiry management and digitalisation of processes for efficient and responsive service delivery
- develop meaningful and sustainable research partnerships that exploit the full potential of collections using digital tools and technologies. Support civic engagement and open debate on digital and information poverty, digital inequalities, and ethics of technologies to ensure inclusive and equitable services for our users
- instigate a bold digitisation programme and significantly modernise our digital library infrastructure (including our repositories and virtual reading rooms) to widen access to, and enable teaching, research and global engagement with, our digital and digitised collections
- establish an institutional records management and digital preservation programme, aligned with the University's data strategy, to ensure that our institutional, cultural, and scientific outcomes are preserved and remain accessible for future research, learning and engagement



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 2021/22, just over 39,000 students benefited from 1,046 programmes, and more than 12,400 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.

The University's commitment to encourage students from all backgrounds to realise their potential includes investment in financial and non-financial support targeted at under-represented groups. 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 2021/22, the University committed £17.7m towards financial support, access, disability and research and evaluation activities.

Our outreach teams – who support the progression to higher education for the brightest and best students, regardless of their background – engaged with more than 400 schools delivering over 32,000 individual outreach interventions.

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 9,000 staff, and more than 39,000 students, including more than 10,700 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 2021/22, the University attracted research grant income worth £177m 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 59 countries around the globe.

Cultural activity

The University plays an active role in the cultural life of the city via our Cultural Institute, which aims to increase pioneering research collaborations with creative sector partners, to widen cultural engagement and participation and to build the skills of our students.

In August 2021 Leeds University Library Galleries re-opened, initially for staff and students at the University on reduced hours. Full re-opening, and a return to pre-COVID-19 hours, took place in January 2022 with a vibrant offer of exhibitions and events. The Galleries also continued to produce high quality online content for our digital audiences and, in July 2022, successfully maintained their VisitEngland Visitor Attraction Quality Assurance accreditation, increasing their score to a very high 87%. The Galleries were longlisted for the national 'Hidden Gem' accolade.

The University's licensed theatre **stage@leeds's** digital platform **stage@leedsDigital** supports both student productions and professional companies creating work in the digital realm. Over 30 new digital works including 'Song of the Female Textile Workers' were created and performed. Online recordings from the well-established International Concert Series programme of classical and contemporary music were available free of charge. We are the principal partner of the world-renowned Leeds International Piano Competition, which in 2021 mounted an extensive outreach and public engagement programme.

The University's Poetry Centre supports, celebrates and showcases poets to create new works, including through the annual **Brotherton Poetry Prize**, which is open to anyone in the world over the age of 18, and offers a range of bespoke creative development opportunities. A return to larger public in-person events included collaboration with the Arts Council of Singapore, Poet Laureate Professor Simon Armitage at the new Wordsworth Centre in Grasmere, launches of new anthologies devoted to African American, Black British and Caribbean poetry, and a first English translation of Ethiopian Amharic poetry. We have strengthened our cultural partnerships with Leeds City Council, as joint stakeholders on a new project to establish the National Poetry Centre in Leeds as an inclusive hub for poetry, literacy and the spoken word.

Our ongoing support for the Leeds Arts, Health and Wellbeing Network continues to champion the role of culture and the arts in public health. We also have long-standing partnerships with numerous cultural organisations.

The University continues to support the Leeds Cultural Education Partnership and, with Opera North, coordinates Culture Forum North, an interface for more than 100 organisations in the higher education and arts and culture sectors. Our national Centre for Cultural Value produced empirical studies into the impact of the pandemic on the creative sector for a range of policymakers.

Finally, as a very large centre for students in creative disciplines across fine art, design, theatre, film/video and music, numerous public events showcased their work.

Sustainability and the community

The University is committed to developing positive economic, social, environmental and cultural impacts, locally, nationally and globally. As a signatory of the UN SDG Accord, we are committed to embedding the Sustainable Development Goals into our decision-making, operations, research and curriculum. See page 40 for more details.

Health, safety and wellbeing

For a large part of 2021/22, the University was required to adhere to specific COVID-19 requirements. Students and staff were provided with testing kits, and students were supported with guidance on isolation requirements and we worked with the local community to deliver COVID-19 vaccinations to students.

We ensured a safe campus for our community who continued to work throughout the pandemic and we continued to support staff to return to campus, ensuring that ventilation and other measures such as specific space allocation, physical and emotional support for those struggling with the return to campus were in place. Working closely with public health teams, we have also developed a contingency plan should any COVID-19, or equivalent issues recur.

Mental health issues have assumed increasing prominence after the disruptions of recent years. In response, and as part of our longer-term approach to Health and Wellbeing, our in-house staff and student counselling services have supported staff with coaching, mindfulness, guidance and counselling to help individuals and teams address the impact of the pandemic, and adjust to new ways of hybrid working. To help staff cope with the challenges of life and how they can affect our work, our occupational health services introduced additional support through an in-house physiotherapy referral scheme and referral to exercise and wellbeing support.

A new Head of Health and Wellbeing was appointed in September 2021 and will lead on developing our Health and Wellbeing strategy.

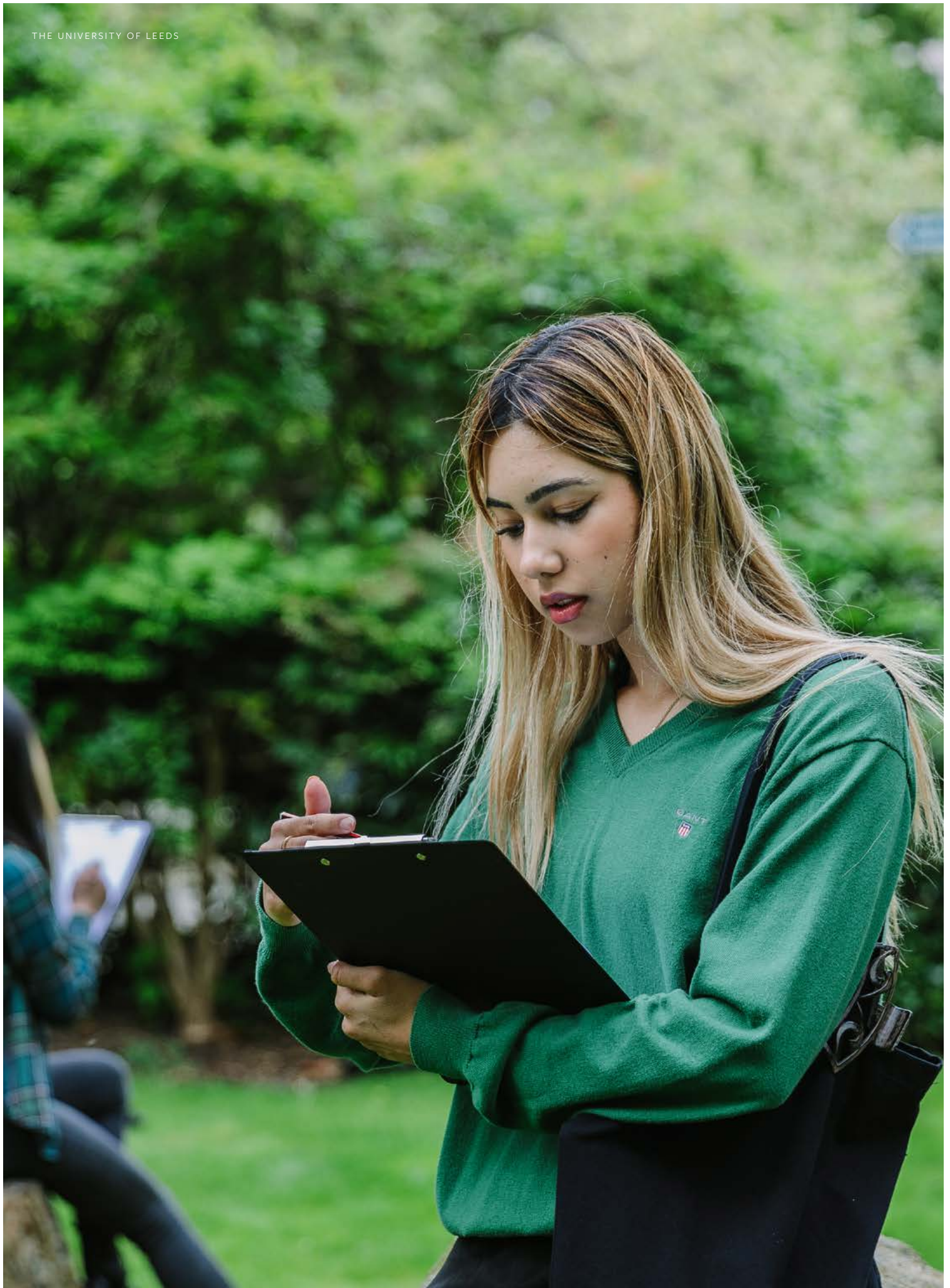
The University is also a key partner in the **Leeds Health Hub**, a collaborative project working with a range of stakeholders, including the UK government. This aims to establish Leeds as a national and international hub for careers, training and entrepreneurship in the healthcare sector, as well as tackling health disparities and improving outcomes.

Equity, diversity and inclusion

The University has renewed our commitment to the expanded Race at Work Charter and we're planning to participate in the higher education-specific Race Equality Charter with extra resourcing to support this.

Work towards gender equality has been recognised by our achievement of 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. We are addressing our gender pay gap by increasing the proportion of women in senior management. We are working on an identity change project to support staff and students changing their gender identity.

We mark a number of key dates throughout the year, often in conjunction with organisations across the city, regionally or nationally, including International Women's Day, the International Day Against Homophobia, Transphobia and Biphobia (IDAhBiT), LGBT+ History Month, UK Disability History Month, Interfaith Week and Black History Month. Colleagues in the Leeds University Union staff networks, and the trade have been involved in promoting activities. Our **Staff Equality Networks** have grown and continue to enrich the culture and EDI endeavours of the institution.



Detailed equality monitoring data are published annually at equality.leeds.ac.uk/equality-data. The following data snapshots for 2021/22 were taken on 1 December 2021 for student data and on 31 July 2022 for staff data.

University of Leeds student diversity profile

Percentage in each group (where information is known)	Home			EU			Overseas		
	UG	TPG	RPG	UG	TPG	RPG	UG	TPG	RPG
Female	60%	58%	51%	58%	60%	55%	44%	63%	57%
Mature student+	8%	43%	52%	6%	41%	71%	9%	27%	80%
Ethnically minoritised ++	22%	19%	16%	24%	12%	13%	94%	98%	93%
Disabled	17%	15%	15%	10%	7%	8%	3%	1%	3%
Total student headcount¹	25,985			1,428			14,355		

Percentages are shown for undergraduate, taught postgraduate and research postgraduate students respectively (UG, TPG, RPG)%.

¹ Excludes certain students for diversity monitoring purposes.

+ 21 and 25 years and over at undergraduate and postgraduate level respectively.

++ Some students do not disclose their ethnicity: this information is from known student data.

Staff in post by protected characteristic

Characteristic	Protected characteristic	% where known
Gender	Female	55%
	Male	45%
Age (years)	50-59	22%
	60+	9%
Ethnicity	Ethnically minoritised	12%
Disability	Disabled	6%
Caring responsibilities	Carers	28%
Sexual orientation	Bisexual	2%
	Gay man/woman	2%
Religion and belief	Christian	24%
	Muslim	3%
	Hindu	1%
	Jewish	1%
	No religion or belief	40%
Total staff headcount	9,252	

Maintaining standards

The University supports and upholds the principles articulated in the Concordat to Support Research Integrity. Our Research Ethics Policy and ethical review procedures seek to protect all groups involved in research – including participants, researchers, funders and the University itself – and to ensure that ethical issues are appropriately addressed. Developmental support and training for researchers includes research ethics training provision for both staff and students. Following a review of ethics structures and processes, we are piloting an electronic application and management system to enhance this framework.

Our University Research Ethics Committee (UREC) is supported by a network of faculty-level research ethics committees. UREC oversees general policy and principles on research, approves proposals for research with significant cross faculty ethical dimensions (including research involving human subjects or their data), and considers the impact of research upon the natural environment. The faculty-based committees review and approve faculty-based research ethics applications from staff and students.

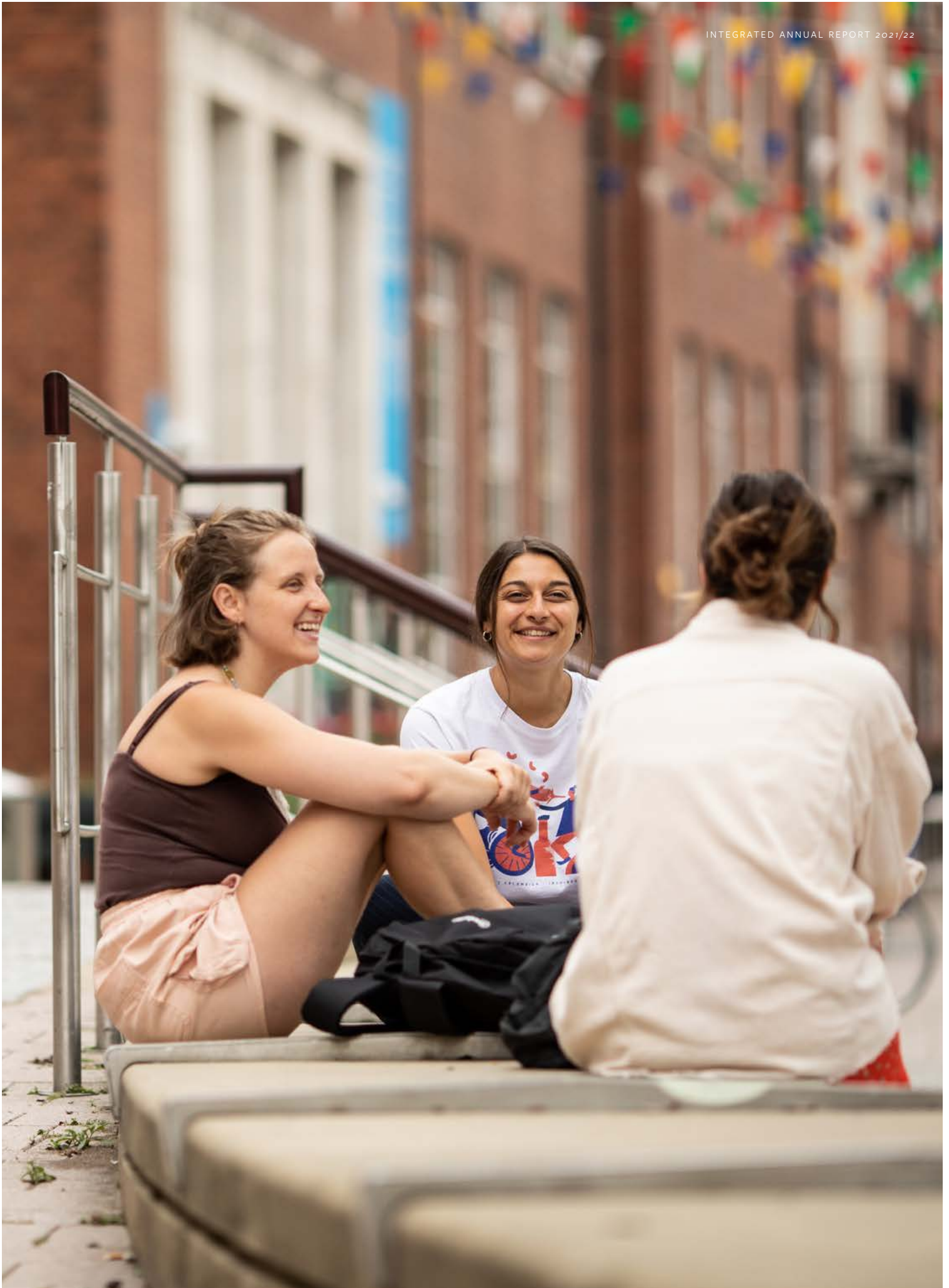
The University has a protocol for investigating and resolving allegations of misconduct in academic research. The topic is highlighted through induction and training and we encourage staff to bring forward concerns. We are committed to ensuring that allegations are subject to full, fair and quick investigation. There was one case in 2021/22: the allegation was admitted, and appropriate action was taken to address the complainant's concerns.

Our Code of Practice on Whistleblowing sets out how we will handle complaints of suspected malpractice or impropriety. An allegation lodged under the Code in 2021/22 in respect of postgraduate researcher supervision practices in a school was found to be without substance.

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. During 2021/22 the University received 371 formal student complaints (346 in 2020/21), which included complaints about academic provision, quality of supervision and teaching, failure to meet obligations and deficiencies in standards of service.

The University also considered 642 appeals from taught students against academic judgements relating to results declared for the session (281 appeals in 2020/21). Of these, 37% were accepted into the appeals process, 49% were dismissed at initial review, 7% were deemed not eligible, 5% were withdrawn by the student and 2% are under review. Of the appeals accepted into the process, 18% were subsequently withdrawn, 8% were dismissed, 25% had concessions approved, 23% were upheld or partially upheld by the Committee on Applications, 13% were rejected by the Committee on Applications and 13% are ongoing.

54 students lodged petitions with the Office of the Independent Adjudicator (OIA) during 2021/22 (52 in 2020/21), 13 of these cases were not accepted by the OIA as they were ineligible under its rules. Of the remaining 41 cases, 16 were against academic appeals dismissed by the University, 12 were against decisions on complaints, 8 were based on the University's Procedure on Cheating, Plagiarism, Fraudulent or Fabricated Coursework and Malpractice in University Examinations and Assessments, 3 were against decisions made by the University's Committee on Student Discipline, 1 was against the University's Procedure on Unsatisfactory Work Attendance and Progress and one was against a decision of the University Committee on Student Health and Conduct. In terms of outcome, 22 cases have been dismissed by the OIA; 2 cases were partially justified, 2 cases were terminated by the OIA and the remaining 15 cases were either currently suspended or still under review by the OIA at the end of the year.



Data Protection and freedom of information

The Information Commissioner's Office (ICO) issued 4 formal decision notices in respect of data protection complaints against the University in 2021/22.

In 2 cases the ICO upheld the University's position. In the other cases, regarding identity change, it found the University was not compliant with its data protection obligations but noted that the University had since put measures in place to ensure improvements in its data handling in future.

Fundraising

The University raises funds from alumni, other individuals, trusts, foundations and companies to support our mission and impact. Activities include major gift fundraising – which involves fundraisers engaging personally with potential donors through face-to-face or online meetings – small events and visits to campus, as well as grant applications to charitable trusts and foundations. We raise awareness of legacy giving through several channels. Our annual direct marketing to our alumni programme typically includes direct mail and telephone fundraising appeals – though no telephone fundraising has taken place this year due to COVID-19.

We do not use third parties to fundraise on our behalf. Our work aligns with the Institute of Fundraising Code of Practice and all fundraisers are required to be knowledgeable about its guidance. We have paid the voluntary £1,000 levy to the Fundraising Regulator and have signed up to its Code of Fundraising Practice.



Trade union facility time

In common with other public sector organisations, the University is required under regulation 8 of The Trade Union (Facility Time Publication Requirements) Regulations 2017 to publish, in a prescribed form, specific information regarding facility time for the recognised campus trade unions. Paid time off during working hours for trade union representatives to carry out trade union duties.

This information is set out below, but note that the data are unaudited and, as required by regulation, relate to the 12-month period ending 31 March 2022 and are therefore not directly comparable to any other data presented within this report.



Relevant union officials: total number of employees who were relevant union officials during the period 1 April 2021 to 31 March 2022.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
29	8.45

Percentage of time spent on facility time: the number of employees who were relevant union officials employed during the period 1 April 2021 to 31 March 2022, spent the following percentage of their working hours on facility time.

Percentage of time	Number of employees
0%	-
1%-50%	26
51%-99%	1
100%	2

Percentage of pay bill spent on facility time

Information requested	Figures
Total cost of facility time	£442,665
Total pay bill	£444,360,000
Percentage of the total pay bill spent on facility time	0.10%

Paid trade union activities: number 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.	29.07%
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Understanding our risks

Materiality

Risk is the effect of uncertainty on achieving objectives and can take the form of adverse impacts or unexpected opportunities.

Understanding materiality – that is, anything that is likely to have a material impact on decision-making – is part of good management and effective governance. At the University, constructive management of risk is one of the key institutional tools employed in meeting the goals we set ourselves.

Risk management

The University has a holistic approach to risk management, embedded into its structures and processes through governance and risk appetite frameworks, and an underlying policy and control environment that integrates risk management into planning and decision-making.

Process

We operate a systematic process of risk management which is both bottom up and top down, integrated into existing structures and aligned to its strategic aims. The approach is deliberately multifaceted, to maximise the chances of successfully identifying risks and to ensure as far as possible that risks are at the front of management thinking at all levels.

The Council is ultimately responsible for risk management arrangements; the Audit and Risk Committee acts on behalf of the Council in overseeing those arrangements. At the executive level, risk management arrangements are the responsibility of the University Secretary, 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 throughout the year. The Audit and Risk Committee ensures that key risks are being actively managed with the appropriate strategies in place to address them.

Faculties and professional services risk registers ensure key operational risks are identified and managed by the appropriate functions within the University. All strategic programmes and projects have individual risk registers, and risk assessment is incorporated into the 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.

We continue to benchmark ourselves against best practice and will be working on further enhancements to our process over the coming year, including further embedding our risk appetite framework throughout the University.

Our risks

The University Risk Register is formally reviewed and updated annually by the Audit and Risk Committee and approved by the University Council. Below we have highlighted risks that are key to the effective delivery of our strategy, and our responses to them. We have also highlighted some key operational risks that require careful management across the institution.

Strategy 2020 – 2030 Academic strategy: **Student education**

Risk	Management
<p>Student experience Failure to engage students as partners in their education, through active and inclusive approaches to learning, and research-based content.</p>	<p>Our Curriculum Redefined programme will transform the curriculum and strengthen the portfolio, facilitating student choice and consistency of experience. A new Student Engagement strategy has been developed through an expanded Student Communications and Engagement team, covering strategic and tactical student communications plus key strategic projects such as Curriculum Redefined. We continue to embed a sustainable approach to delivering high-quality, research-based education, focused on improving the student experience through digitally enabled, consistent and streamlined processes across the student lifecycle; and optimising our programme portfolio, modes of delivery and student cohort mix.</p>
<p>Outstanding education Failure to provide an outstanding education that is underpinned and enhanced by sector-leading pedagogies, digital resources and technologies.</p>	<p>We are mitigating this risk by further investing in digital education, tools and content; expanding our portfolio of accessible online education; developing staff and student digital skills and competencies; and investing in ‘smart campus’ technology.</p>

Strategy 2020 – 2030 Academic strategy: **Student education continued**

<p>Student engagement Inability to foster an engaged and lifelong community of students.</p>	<p>As a fundamental part of our new student education strategy, we are focusing efforts on leveraging the Leeds community and creating a positive and inclusive community with a sense of belonging. We are also enhancing our commitment to widening participation, retention and attainment.</p>
<p>High quality research-based education Failure to embed a sustainable approach to delivering high-quality, research-based education.</p>	<p>We are mitigating this risk by embedding a sustainable approach to delivering high-quality, research-based education, optimising our programme portfolio, modes of delivery and student cohort mix.</p>

Strategy 2020 – 2030 Academic strategy: **Research and innovation**

Risk	Management
<p>Research quality Failure to further our reputation for high-quality challenge-led, interdisciplinary research underpinned by our disciplinary fundamental research strengths.</p>	<p>We continue to focus on research quality, fully understanding the true cost of research and the value that it generates, and on embedding practices to ensure we have a sustainable, quality-focused research model for the future.</p> <p>We are creating Futures Institutes, with the aim of removing barriers for interdisciplinary research and postgraduate education collaborations; and developing recognised centres of excellence for tackling global challenges and driving world-changing research and education through impactful international partnerships.</p>
<p>Research funding Failure to enhance and diversify our research income and the impact it generates.</p>	<p>To mitigate this risk, we are:</p> <ul style="list-style-type: none"> ● implementing agile commercial models for working with business, including dedicated staff with specialist skills, and a more structured and formal approach to consultancy and contract work. ● increasing sustainability of research through a value-based costing model. ● partnering with investors to create more start-up and grow-on space, including increasing the added value generated through interaction between our Nexus community members and academics ● embedding innovation and entrepreneurship through activities targeted at undergraduate and postgraduate programmes, academic staff, and local entrepreneurs, to boost the creation of innovation-driven start-ups.
<p>Researchers and research staff Failure to support our researchers and research staff across their entire career to help them achieve their full potential.</p>	<p>Appointment of a Dean of Research Culture, who chairs a newly formed Research Culture Committee, to ensure the development of a culture of equality, ambition, confidence, and collaborative spirit across the University. We will embed the principles of the San Francisco Declaration of Research Assessment (DORA), ensuring that we use research metrics in a responsible manner to support and develop our researchers.</p>
<p>Institutional barriers Inability to remove institutional barriers and promote Leeds as a ‘University without walls’ to support interdisciplinarity and effective external partnerships.</p>	<p>To mitigate this risk, we are:</p> <ul style="list-style-type: none"> ● increasing the breadth and depth of partnerships with our key partners across business and the public sector ● encouraging the flow of staff in and out of campus, between other venues and pursuing external opportunities ● promoting joint appointments with external partners ● blending local and global activity to create a transformational approach for driving innovation and discovery in research and education.

Strategy 2020 – 2030 Academic strategy: **Digital transformation**

Risk	Management
<p>Digital ways of working Inability to enhance digital ways of working, campus facilities and operations.</p>	<p>Our mitigation strategy includes:</p> <ul style="list-style-type: none"> • supporting all our staff and students to harness the potential (and manage the challenges) of digital technologies, data and digital approaches through professional development, support and guidance • digitising and automating our processes, reducing paper use and manual processes, maximising hybrid working practices and freeing up time for staff • transforming our physical campus to use digital technologies effectively to support education and research and innovation, and to provide a welcoming, social, efficient and sustainable physical environment • using digital technology and digital approaches to develop and enhance our communication and relationships with students, alumni, and local, regional and global partners
<p>Digital capabilities Failure to improve our digital capabilities to conduct high-quality, collaborative and globally impactful challenge-based research and innovation.</p>	<p>We are improving our digital capabilities with:</p> <ul style="list-style-type: none"> • high-quality, flexible, secure, interoperable user-focused technology and development environments for postgraduate researchers, researchers and staff • secure environments in which our researchers and partners can use data sets, enabling sharing and effective data analysis • institutional platforms for extended realities, and artificial intelligence • increasing our use of open research and digital scholarship practices, and digital approaches for publication, dissemination and impact activities • establishing and extending research capacity in evidence-based practice in digital pedagogies, new and emerging digital technologies, digital humanities, online education and digital transformation
<p>Digital education provision Failure to enhance our digital educational provision and grow our fully online education portfolio.</p>	<p>Our digital education provision has been significantly enhanced, but to further address this risk we are:</p> <ul style="list-style-type: none"> • exploring the opportunities of new and emerging digital technologies, and embedding these in our pedagogical practice • increasing the use of digital technologies, data and digital approaches to provide a high-quality student experience for our taught students and postgraduate researchers, and to support student success • growing our fully online education portfolio of online degrees, sub-degree qualifications and online short courses for globally distributed online and professional learners

Strategy 2020 – 2030 Academic strategy: **International**

Risk	Management
<p>Global community Inability to attract, and engage with, a globally connected community of staff, students and alumni.</p>	<p>We are continuing to build a highly connected, inclusive global community including:</p> <ul style="list-style-type: none"> recruiting, supporting and retaining talented researchers and staff from diverse geographies and cultures building a balanced and sustainable cohort of diverse international and UK students online and on campus ensuring our portfolio and syllabus are globally informed and inclusive and our admissions and progression practices are flexible and equitable extending the reach of our transnational education (TNE) and online provision at all levels of study by embedding digital innovation into our international partnership
<p>Global mindset Inability to foster and embed a global mindset throughout the University across all its activity.</p>	<p>We are mitigating this risk by:</p> <ul style="list-style-type: none"> promoting culture change to support, recognise and reward international activity that delivers positive impact, locally, nationally and globally increasing institutional capacity to identify, scope and undertake major internationally collaborative projects including key research and educational partnerships with the Global South harnessing the insights, networks and influence of our global alumni to enhance our impact and grow the philanthropy which will help underpin our ambitions
<p>Global partnerships Failure to create global partnerships that provide international learning and research opportunities.</p>	<p>We have created an International strategy and are funding two new Deans for Global Development, to provide leadership in developing impactful partnerships with the Global South. We are deepening and broadening our research and educational partnerships globally, including those with the Global South, to increase societal impact and help achieve the UN Sustainable Development Goals. We have also created a Leeds Curriculum and Doctorate, which are internationally relevant and provide a broad range of inclusive global study and flexible mobility opportunities.</p>
<p>International reputation Failure to enhance our international reputation by extending our worldwide reach and delivering global impact.</p>	<p>We continue to enhance our global reputation by:</p> <ul style="list-style-type: none"> developing excellent graduates who, as engaged global citizens, will be well equipped to make a positive difference in the world encouraging, recognising and rewarding staff for internationally collaborative, high quality and impactful student education, research and innovation leading international networks of education and technology partners to drive digital transformation to meet the needs of diverse global learners

Strategy 2020 – 2030 Enabling strategy: **Society**

Risk	Management
<p>Sustainable development Failure to enable the University to fully realise its place in, value to, and positive impact on, society.</p>	<p>We have established our Climate Plan, aligned to the seven climate principles, which are central to our University strategy. This plan will continue to be overseen by the Climate Principles Board chaired by the Deputy Vice-Chancellor. We will further realise our sustainable development goals by:</p> <ul style="list-style-type: none"> aligning with the framework of the UN Sustainable Development Goals (SDGs) to further embed a University-wide narrative which articulates the holistic nature of sustainability revising the existing Sustainability strategy leading to the timely publication of the new Sustainability and Community strategy and associated plans to support our seven climate principles fostering and embedding a sustainable mindset throughout our core strategies and decision-making

Strategy 2020 – 2030 Enabling strategy: **Core functions**

Risk	Management
<p>Healthy working environment Failure to promote and enable a healthy working environment which supports the health, safety and wellbeing of our diverse community.</p>	<p>We continue to prioritise, invest in, and evolve our support to facilitate the physical and mental health and wellbeing of our community. This includes building on the positive elements from the working practices deployed during the pandemic, and balancing the needs of the University and individuals, promoting and enabling a healthy work/life balance across our community. We continue to equip our people to proactively manage their own health, safety and wellbeing and enable them to support others to secure appropriate support.</p>
<p>EDI strategy Failure to deliver our EDI strategy to actively promote and embed equity, diversity and inclusion across our community.</p>	<p>We continue to invest in a dedicated EDI team and have established an Equity and Inclusion Framework. An EDI strategy has been developed and communicated with a leadership in place to deliver a clear implementation plan.</p>
<p>Cyber security Failure to properly secure the University's IT infrastructure leading to major data leaks, breaches and significant cyber security attacks.</p>	<p>Cyber security is a continually evolving challenge, both in terms of the technology landscape, and the types of industries or bodies that attackers have in their sights. The scale and sophistication of attacks are increasing. Following a recent thorough regular cyber security review, it has become clear the protections and arrangements that the University of Leeds has in place need to transform to continue to provide the level of assurance that the University expects. It also needs to reflect the new hybrid ways of working that are likely to be embedded (at least to a large extent) post-COVID-19.</p> <p>We have made a significant investment in a 'Be Safe' programme, under the leadership of the Chief Information Security Officer. This programme focuses on maturing the information and cyber security position, including establishing the security function, developing a Security Operations Centre, developing cyber resilience capabilities, transforming and securing digital identity and redesigning network security.</p> <p>While more work is required to reduce this risk to an acceptable level, significant progress has been made, enhancing our team of cyber security professionals, reducing legacy debt and associated vulnerabilities, deploying market leading cyber security technologies and developing our partner network to deliver critical services.</p>
<p>IT capabilities Failure to improve our IT skills and capabilities to align with immediate and medium-term needs.</p>	<p>We need a fundamental shift in our approach to IT services and deployment of IT investment to tackle our considerable technical debt (aged systems and limited technology upgrades), to modernise our technology and data infrastructure and to deliver modern, high-quality customer services.</p> <p>We have invested in a Digital Enablement programme which will ensure that the IT Services organisation, skills, ways of working and accountability are improved both to address any shortcomings of the service today and to prepare for future transformation. The programme includes a combination of restructuring, recruitment, managed services, process redesign and enhanced governance. We will establish a new approach to management of enterprise data and integration and enable new digital services to be deployed flexibly, building upon solid data foundations, technologies and governance practices.</p> <p>Design and consultation activities necessary to achieve these outcomes are well under way, with significant progress in recruitment and service introduction in priority areas such as cyber security.</p>
<p>Strategic Change programmes Failure to lead and manage the substantial amount of technical, educational and people related change, agreed as a fundamental part of our 2020-2030 strategy, set out in Universal Values, Global Change</p>	<p>Some significant programmes contained within our 2020-2030 Strategy are moving into the implementation phase – or are already under way – including the Corporate Processes and Systems programme, Student Lifecycle Programme, Digital Transformation strategy, Curriculum Redefined programme and specific IT programmes.</p> <p>We recognise the need to carefully manage these substantial investment programmes and have invested in a dedicated Transformation Office to support us with the breadth of change, in addition to the established Programme Management Offices. We have also appointed a third-party digital assurance partner to provide independent assurance and practical support with the technical aspects of these programmes. Ongoing governance is provided by the University Executive Group, with a specific focus by the Audit and Risk Committee on assurance and risk management, and by the Strategy Investment Committee on programme delivery.</p>

Strategy 2020 – 2030 Academic Strategy: **Core functions continued****Funding and cost pressures**

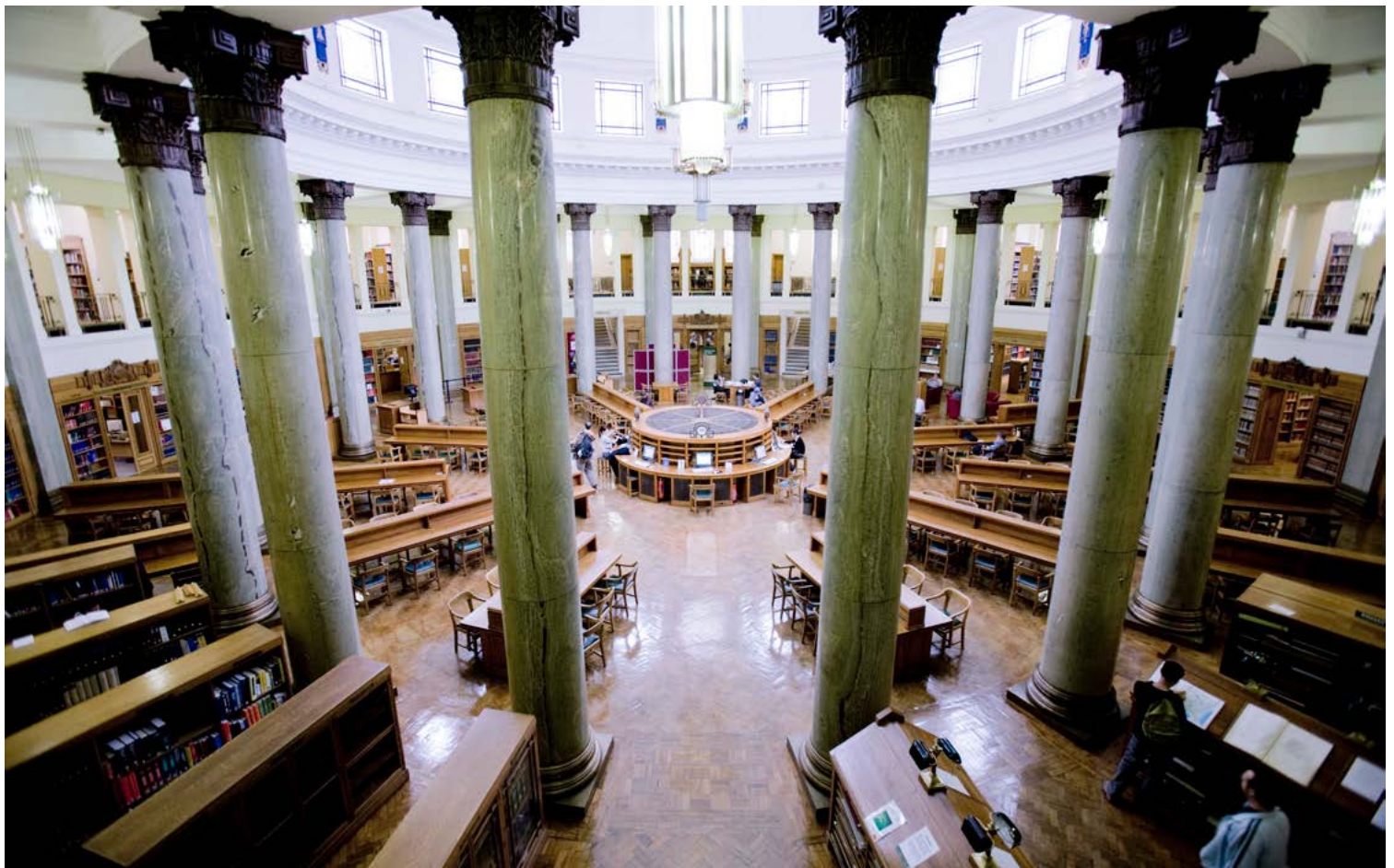
Inability to generate sufficient levels of cash to afford the scale of investment required to implement the new strategy and to respond to the funding risks and strong cost pressures from inflation and pay.

The freezing of the undergraduate tuition fee cap at its current level of £9,250 until 2024/25 at the earliest, combined with the impact of recent global events, including the war in Ukraine and worsening inflation and utilities price forecasts, has the effect of reducing universities' net income in real terms. The economic environment may lead to constraints on government funding, and even before that research is underfunded.

Our mitigations have included work to de-risk our over-reliance on home undergraduates whilst increasing and diversifying our international student recruitment, whilst streamlining our education portfolio offer and removing programme complexity through the Curriculum Redefined programme. We are back on track to de-risk the over-reliance on home undergraduates with the 2022/23 intake, following higher than planned recruitment in 2020/21 and 2021/22 as a result of grade inflation during the pandemic. Where we are able we will reflect the higher levels of inflation in our fee levels. As part of Research Transformed we plan to improve the sustainability of our research by improving our levels of cost recovery and diversifying funding sources. We have also established a Utilities Strategy Risk Group to develop mitigations related to the utilities price increases.

Cost-saving actions taken through the pandemic combined with a strong financial result in 2021/22 have strengthened the University's balance sheet and cash position, allowing us to navigate these unprecedented economic times whilst pursuing our ambitious strategic objectives. In the medium term, our new strategic initiatives will be critical in moving us to our targeted in year surplus and cash generation targets through new income streams and productivity improvements.

The 2020 USS pension valuation resulted in a significant increase in the funding deficit of the scheme, leading to benefit changes and increased contributions from both the employer and employee. We continue to contribute to sector-wide discussions with USS and UUK which are progressing work to redesign the scheme, improve its governance, and reverse the high member opt-out rate by introducing a lower-cost option for members.



Corporate governance

This statement covers the period 1 August 2021 to 31 July 2022 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 and minutes of the meetings of the Council are generally made available online to members of the University.

The Council reviews annually the membership and terms of reference of its committees, to ensure that they remain appropriate and inclusive. During 2021/22, informed by the outcome of an independent governance effectiveness review, recommended changes were implemented to the appointment process of Council members whereby all members, other than ex-officio positions, are advertised and appointed on the recommendation of the Nominating and Governance Committee.

In respect of the regularity and propriety in the use of public funding received by the University, there is in place a system of control (articulated in the University's financial policies and regulations, and through the Scheme of Delegation) which is subject to scrutiny by the external and internal auditors, whose reports are reviewed by the Audit and Risk Committee. Different aspects of corporate governance are reviewed annually by the Nominating and Governance Committee, by the Audit and Risk Committee and also as part of the internal audit plan. In addition, the University Secretary has a general responsibility to ensure compliance with the University's constitution and with the principles of propriety and good governance.



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 to ensure its sustainability.

The specific responsibilities of the Council are outlined in its Statement of Primary Responsibilities but, in summary, it is responsible for approving corporate strategy and associated plans and budgets, for determining major business decisions and corporate policy, for the framework of governance and management and for monitoring institutional and executive performance. The Council is also responsible for satisfying itself that the methodologies used to secure continuous improvement of the student academic experience and student outcomes are, to the best of its knowledge, robust and appropriate; and that the standards of the University's awards have been appropriately set and maintained. These responsibilities are 'reserved' to the Council and, as a general rule, cannot be delegated.

Other responsibilities are delegated to committees and officers in accordance with a scheme of delegation: leeds.ac.uk/secretariat/documents/scheme_of_delegation.pdf

The Council, both directly and through the Audit and Risk Committee and the Nominating and Governance Committee, is responsible for ensuring the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities (including compliance with the 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 on those matters to the Audit and Risk Committee and the Council.

During 2020/21, the University commissioned a review of the effectiveness of its governance arrangements, by AdvanceHE. The review 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'. Enhancements have been made to relevant University processes in the light of recommendations made by Advance HE. The review identified a number of issues with regard to the University's academic governance arrangements and made recommendations to improve their effectiveness and robustness. Work to address the matters highlighted is ongoing. A key change approved by the Council in March 2022 and effective from 1 August 2022 was a reconfiguration of the Senate and a reduction in membership. The Statement on the role of the Senate has been refreshed to emphasise its role in academic governance.

The Council normally has six business meetings and two away days each year. It has 23 members, the majority of whom are lay (neither employees nor students at the University.) Its membership also includes representatives of staff and students. For the purposes of charity law, members of the Council are trustees of the University, and have had regard to the Charity Commission's guidance on public benefit. They do not receive fees or other remuneration as members or trustees.

During 2021/22 the Chair of the Council and Pro-Chancellor, Mr David Gray was supported in his role by two Deputy Pro-Chancellors. Following the end of his term of office on 31 July 2022, Mr Alastair Da Costa took up his role as the new Chair of Council on 1 August 2022. 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 had exercised its discretion to extend the terms of office of the two Deputy Pro-Chancellors beyond the maximum period of continuous service for members of Council of nine years, on the grounds that the loss of their expertise would be detrimental to the University's best interests.

The Senate

The Senate is responsible to the Council for academic governance (and especially for regulating the admission of students), the curriculum and assessment, maintenance and enhancement of academic standards, and the award of degrees and other qualifications. The Senate consists of members of the academic staff and student members. As described above, changes have been made to the composition of the Senate to ensure that it is able to discharge its academic governance responsibilities effectively.



University committees

The principal committees of the Council include the following:

The Audit and Risk Committee (chaired until 31 July 2022 by Mr Ed Anderson), which normally meets five times a year, has a significant role in reviewing the effectiveness of the systems of internal control, including financial procedures and risk management, taking into account the reports received from the University's internal and external auditors. Mr Iain Moffatt was appointed as Chair of the Committee from 1 August 2022.

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 on compliance with the OfS conditions of registration, the terms and conditions of funding of the OfS and of Research England as appropriate, and with 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 enable it to advise the Council on the direction of strategy, the Committee receives regular reports from the executive, considers the University's current risk appetite, monitors agreed key performance indicators, undertakes periodic review of the external environment and comparative performance against benchmarks, and reviews and helps to determine the investment envelope at any given time.

The Nominating and Governance Committee (chaired by the Chair of 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 members skills matrix, the need to draw members from a diversity of backgrounds, and also to maintain an appropriate balance between continuity and rotation in membership. It also considers the potential for improvements in governance.

The Health and Safety Committee (chaired by the Vice-Chancellor), 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 Council. The Committee's main responsibility is to determine the remuneration of the Vice-Chancellor 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 Gift Acceptance Committee (chaired by the Chair of Council) scrutinises and – after considering any strategic, financial, legal, ethical and reputational issues – approves or otherwise any solicitation or acceptance of gifts with a value over £150k.

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

Committees of the Senate include a Taught Student Education Board, Graduate Board, International Strategy Board, Research and Innovation Board and Digital Transformation Strategy Board.

The Court

The University Court, has some 80 members (the majority lay). It serves as a symbol of – and a mechanism for – the University’s accountability to the wider community and to different stakeholder constituencies. It 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.

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

As the Chief Executive and Senior Academic Officer of the University, the Vice-Chancellor, Professor Simone Buitendijk exercises considerable influence on the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Vice-Chancellor is formally responsible to the Council, within a prescribed framework, for the operational management of all aspects of the University’s work and, under their respective terms and conditions of funding, is the ‘Accountable Officer’ who reports to the OfS and Research England on behalf of the University.

The University’s Executive Group (UEG) consists of the Vice-Chancellor, the Deputy Vice-Chancellors, the Chief Financial Officer, the Chief Operating Officer, the University Secretary and the Executive Deans of Faculties. It has formal terms of reference.

The Vice-Chancellor 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) 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. The system of internal control is designed to manage rather than eliminate these risks of failure: it can provide reasonable but not absolute assurance.

The University risk management framework is described on page 52.

This process has been in place for the year ended 31 July 2022 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. On the basis of the work carried out during 2021/22, the internal auditors were of the opinion that the University's arrangements were generally satisfactory with some improvements required (the same opinion as that provided in 2020/21).

The Audit and Risk Committee receives a report from the University's external auditors on the results of their audit, including whether there were any significant weaknesses in internal control observed through their audit process. No significant weaknesses were reported.

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, and by comments made by the external auditors in their management letter and other reports.



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). In doing so, it must ensure that funds from the OfS, Research England and, as appropriate, other funders are used only for the purposes for which they have been given and in accordance with the terms and conditions of funding of those bodies, and that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.

The University discharges these responsibilities through a system of internal financial control. Key elements of this include 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.

Requirements for approval and control of expenditure are clearly defined and formalised, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council and recorded in the University's Scheme of Delegation. The Scheme includes clear definitions of the responsibilities of, and the authority delegated to, academic and administrative heads. This system is underpinned by comprehensive financial regulations which detail financial controls and procedures, and by professional internal and external audit teams of which the former's annual programmes of review are approved by the Audit and Risk Committee.

The Council is also responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the University and which ensure that the financial statements are prepared in accordance with 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, the Council, through its Accountable Officer, is required to ensure annually that financial statements are prepared, audited and presented which give a true and fair view of the state of affairs of the University at the end of the financial year, and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Council has ensured that suitable accounting policies are selected and applied consistently; applicable accounting standards have been followed (subject to any material departures disclosed and explained in the financial statements); and that judgements and estimates are made that are reasonable and supportable.



Risk management

The management of risk is integral to the work of the Council and constitutes a significant part of the University's system of internal control. The Council regularly considers the strategic direction of the University and institutional plans and receives regular reports on progress against key performance indicators (KPIs), strategic initiatives and other significant projects and risk factors. The Council receives the institutional Risk Register and also regular reports via the Audit and Risk Committee on the steps that executive leads are taking to manage the risks associated with the achievement of the University's strategic objectives.

The risk management process, which accords with CUC guidance, was further tested during the year as part of the Audit and Risk Committee's rolling programme of risk review. Overall, the Committee was content that an appropriate framework to identify, assess and manage risk was in place.

The University continues to embed more sophisticated risk management arrangements across the institution in response to current challenges posed by the environment and a greater level of scrutiny in higher education. The Council has reviewed the reports of the strategic risks and their evaluation and management and concurs with the view of the Audit and Risk Committee that the University's arrangements for identifying, evaluating and managing its significant risks are embedded into ongoing operations.

In September 2021 the Council approved a new Risk Appetite Framework, designed to align with the University's new strategic delivery plans. The framework is used when making key risk-based decisions at the University.

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 2022 and financial forecasts to 2027, which incorporate investment to support our ambitious strategic plan. At 31 July 2022 we have cash and current investments of £531m (2021: £455m) and a target minimum cash level in our forecast period of £197m. Our forecasts present a trajectory to sustainable in-year surplus and cash generation targets supported by an early period focused on investment. The forecasts include an assessment of the financial risks we face including inflationary pressures, and we have carried out scenario analysis to scope further risks and considered potential responses, which include mitigations to support liquidity if required.

The Council is satisfied therefore that the University has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the Integrated Annual Report.



Members of the University Council 2021/22(6 Business meetings
+ 2 Away Days)

Member of Council		Attendance
David Gray	Pro-Chancellor and Chair of Council since 2013	6+2
Alastair Da Costa	Joined Council in May 2022, Chair and Pro-Chancellor from 1 August 2022	3+1
Professor Simone Buitendijk	Ex Officio (Vice-Chancellor)	6+2
Cordelia Rogerson	Lay member (Representative of Clothworkers' Company)	4+1
Ed Anderson	Lay member and Deputy Pro-Chancellor	6+1
Liz Barber	Lay member and Deputy Pro-Chancellor	2+2
Tom Clark	Lay member	3+2
Seb Elsworth	Lay member	5+0
Helen Grantham	Lay member	5+2
Sir Roger Marsh	Lay member	2+1
Iain Moffatt	Lay member	6+2
Yvette Oade	Lay member	5+1
Leyla Okhai	Lay member	5+1
Janet Sheriff	Lay member	6+1
Tim Smith	Lay member	6+0
Mark Taylor-Batty	Staff member	2+0
Simon Thompson	Staff member	6+1

Members of the University Council 2021/22(6 Business meetings
& 2 Away Days)

Member of Council		Attendance
Aysha Burton	Student member	6+2
Megan Hodgkinson	Student member	6+2
Victoria Blake	Staff member	1+0
Pam Jones	Staff member	2+1
Robert Kelsall	Staff member	4+2
Martin Pelan	Staff member	2+0
Alice O'Grady	Staff member from 27 January 2022	4+0
Kendi Guantai	Staff member from 27 January 2022	3+1
Peter Jimack	Staff member from 27 January 2022	4+1
Lauren Huxley	Staff member from 31 March 2022	3+1

Notes

Two Officers of Leeds University Union (Aysha Burton (Union Affairs and Communications Officer) and Megan Hodgkinson (Education Officer)) were members from 1 July 2021 to 30 June 2022. They were succeeded, respectively, on 1 July 2022 by Maria Papageorgiou and Bethan Corner.

The terms of office of Mr David Gray, Sir Roger Marsh and Mr Ed Anderson ended on 31 July 2022. Mr Ken Sargison and Dr Rachel Tsang were appointed to membership of the Council from 1 August 2022.

Linked to Advance HE recommendations, the periods of appointment of Ms Blake, Professor Jones, Mr Pelan and Professor Taylor-Batty were extended to 31 December 2021.

Mr Da Costa was appointed to membership of the Council with effect from 26 May 2022 ahead of taking up his role as Chair of Council from August 2022.

Dr Guantai, professors Jimack and O'Grady, and Dr Rogerson were appointed to membership of the Council with effect from 27 January 2022.

Ms Huxley was appointed to membership of the Council with effect from 31 March 2022.

Members of the University Executive Group 2021/22

Professor Simone Buitendijk	Vice-Chancellor (Chair)
Professor Hai-Sui Yu	Principal Deputy Vice-Chancellor
Professor Jeff Grabill	Deputy Vice-Chancellor: Student Education
Professor Neil Morris¹	Deputy Vice-Chancellor: Digital Transformation
Professor Nick Plant	Deputy Vice-Chancellor: Research and Innovation
Roger Gair	University Secretary (to 31 December 2021)
Jennifer Sewel	University Secretary (from 1 January 2022)
Jane Madeley	Chief Financial Officer
Dennis Hopper²	Interim 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 Andrew Dougill	Executive Dean, Faculty of Environment (to 31 December 2021)
Professor Selina Stead	Executive Dean, Faculty of Environment (from 1 January 2022)
Professor Mark Kearney	Executive Dean, Faculty of Medicine and Health
Professor Alastair Mullis	Executive Dean, Faculty of Arts, Humanities and Cultures (to 31 December 2021)
Professor Paul Johnson	Executive Dean, Faculty of Social Sciences (from 1 January 2022)

1. Professor Morris left the University at the end of October 2021.

2. Mr Hopper stepped down as Interim Chief Operating Officer on 14 August 2022; Rachel Brealey has been appointed to take up the role of Chief Operating Officer from 15 August 2022.



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 in particular 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, when 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, key performance indicators 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

It is pleasing to report that the significant financial impacts of the pandemic now appear to be behind us and we have seen through 2021/22 that our activity levels for both research and student education have recovered, in some cases exceeding pre pandemic levels. Our financial result reflects this recovery in activity – with income growth and associated increases in expenditure.

Also as planned, and in line with our 2020-2030 strategy, 2021/22 marks the start of a new cycle of investment targeted at securing critical underpinning and enabling infrastructure as well as strategic investment in new initiatives required to deliver on our ambitious strategy. The strategic investments of £57m in 2021/22 cover programmes which are described earlier in this report, and which in addition to their importance in relation to our academic strategy, are key components of our financial strategy – creating new income streams, improving our productivity, and in some cases contributing to both.

Whilst within 2021/22 we have experienced and absorbed some of the impact that recent global events, including the war in Ukraine have had on energy prices, we are conscious that the full adverse economic impacts of this situation are still to be felt. The strong balance sheet and cash position that we are reporting provides us with time and headroom to respond to inflationary pressures whilst continuing at pace with our critical investment plans.

£930m

Total Income (2020/21: £754m)

“The strong balance sheet and cash position that we are reporting provides us with time and headroom to respond to inflationary pressures whilst continuing at pace with our critical investment plans.”

During 2021/22 we have recorded an underlying operating surplus of £60m (before the movement in the USS provision), which is a significant improvement from the COVID-19 impacted (£15m) underlying operating deficit in 2020/21. We have recorded strong growth in income, to levels in excess of pre-pandemic income.

Total income of £930m is 23% higher than in 2020/21, when most income sources were impacted by COVID-19, but this is also £138m higher than income in 2018/19, the last year not to be affected by COVID-19.

Tuition fee income has increased by 23% to £501m, buoyed by deferred income related to our January 2021 postgraduate cohort; research income has also grown strongly from £130m to £177m; and student residence rental income (£51m) has returned to pre-COVID-19 levels after it had reduced due to lockdowns and travel restrictions in 2020/21.

As COVID-19 restrictions lifted, and we returned to pre-COVID-19 activity levels plus growth, expenditure has also increased with staff costs (before the movement in the USS provision) increasing 6% to £463m, and other operating expenses (including depreciation and impairment charges) increasing by 23% to £394m, including a £20m inflationary increase in utility costs.

Chief Financial Officer's Report *continued*

Consolidated financial summary

	2021/22 £000	2020/21 £000	Change %	Change £000
Summary				
Total income	929,535	754,093	23%	175,442
Expenditure (excluding movement on USS provision)	(869,383)	(768,557)	13%	(100,826)
Underlying operating surplus / (deficit) ¹	60,152	(14,464)	(516%)	74,616
USS provision movement ²	(179,569)	3,776	(4,856%)	(183,345)
Operating deficit	(119,417)	(10,688)	1,017%	(108,729)
Other items ³	(4,805)	10,373	(146%)	(15,178)
Deficit	(124,222)	(315)	39,336%	(123,907)
Actuarial gain	161,935	16,571	877%	145,364
Total comprehensive income	37,713	16,256	132%	21,457

Tuition fee and education contracts				
Home students	214,930	217,312	(1%)	(2,382)
International students	259,951	163,669	59%	96,282
Other fees incl. NHS teaching contract	25,630	25,536	0%	94
	500,511	406,517	23%	93,994

Funding body grants				
Recurrent grants	82,846	80,347	3%	2,499
Specific grants	12,390	15,892	(22%)	(3,502)
	95,236	96,239	(1%)	(1,003)

Research grants and contracts				
Research Councils, UK Charities and Government	141,632	104,197	36%	37,435
Industry, overseas and other	35,665	25,945	37%	9,720
	177,297	130,142	36%	47,155

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

2 The USS 2020 actuarial valuation had not concluded by 31 July 2021. As a consequence, the 2020/21 financial statements were based on the 2018 actuarial valuation and 2021/22 reflects the finalised 2020 actuarial valuation.

3 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*

	2021/22 £000	2020/21 £000	Change %	Change £000
Capital expenditure				
Externally funded	(16,936)	(6,886)	146%	(10,050)
University funded	(19,999)	(57,095)	(65%)	37,096
	(36,935)	(63,981)	(42%)	27,046

Cash and borrowings				
Cash and current investments	531,107	455,364	17%	75,743
Borrowings	(326,562)	(328,956)	(1%)	2,394
	204,545	126,408	62%	78,137

As we reported last year we paused on initiating new capital schemes during the pandemic in order to protect the University's cash position in the short term. Since then the University's 2020-2030 has rebalanced our investment plans to support critical IT infrastructure, and new enabling and academic strategic initiatives alongside more modest levels of capital investment, hence the overall capital expenditure, including tangible and intangible assets, in 2021/22 was only £37m, which is £27m lower than 2020/21.

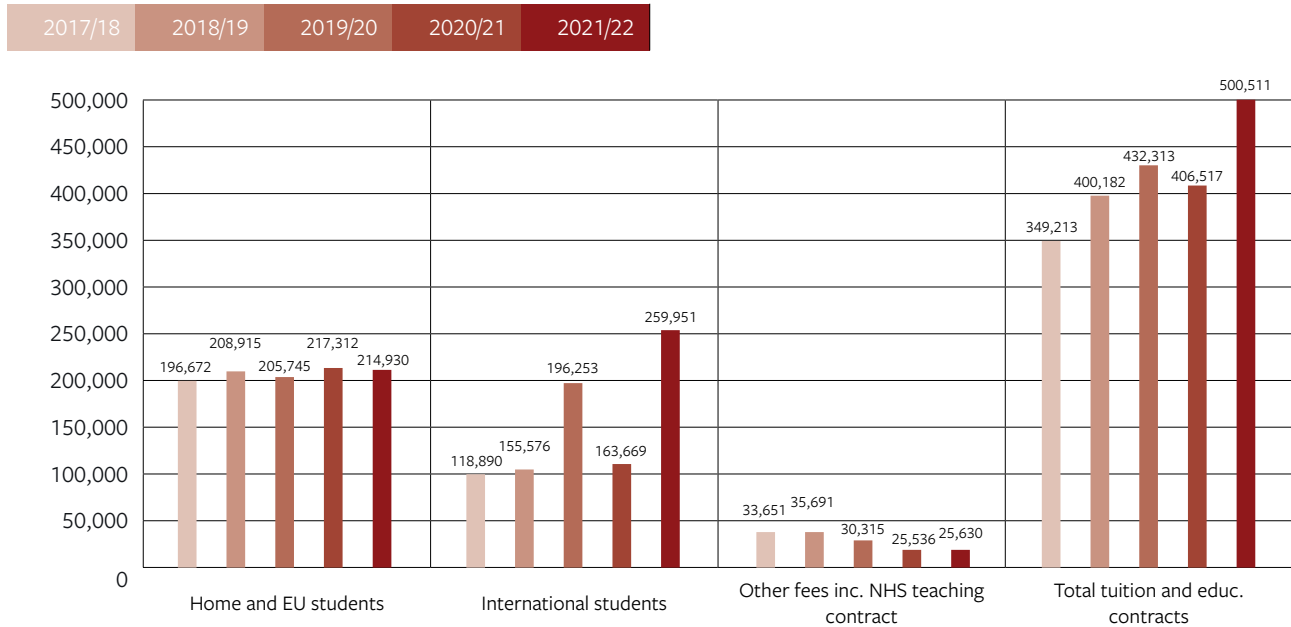
Whilst the financial effects of the pandemic are largely behind us, recent global events, including the war in Ukraine, means that we are currently operating in a period of significant geopolitical and economic uncertainty, with utilities prices and inflation rates running at levels not experienced for several decades. We will apply the same rigour to how we monitor and manage the risks and financial position of the University during this period, as we did through the pandemic, whilst remaining focused on prioritising the deployment of our cash headroom towards the delivery of projects that are critical to the University strategy.

Funding Body Grants

Funding Council grant income fell by 1% to £95m. The slight fall reflects the removal of the Global Challenges Research Fund QR funding for 2021/22, as part of the government's reduction in international development spend. The reduction in 2021/22 has been largely offset by increased high cost subject funding from OfS and the UKRI quality related grant.

Chief Financial Officer's Report *continued*

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



Tuition fees and education contracts

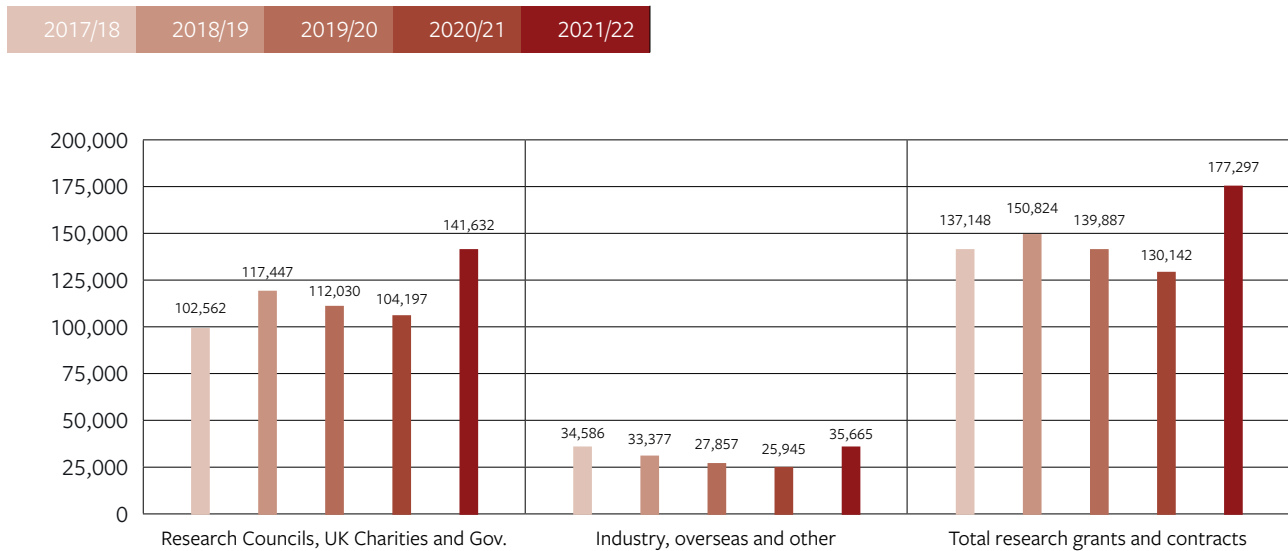
Tuition fee income and education contracts totalled £501m, an increase of £94m (23%) from 2020/21. This represents year on year growth in International fee income of 59%, with international fees making up over half of total tuition fee income.

Fee income from Home students fell by 1% (£2m) compared to last year. Home undergraduate intake numbers were high, and in a small number of disciplines, where we over-recruited, we offered to defer student's places to 2022 entry. However we experienced reductions in Home postgraduate taught and research student numbers.

International fee income increased however by £96m (59%), including £33m deferred income from postgraduate taught students from the January 2021 intake which was offered to mitigate against international student recruitment risk as a result of the pandemic travel disruption. Underlying international recruitment was also strong, for both undergraduate and postgraduate cohorts, with total international student numbers increasing by 14% from 10,700 to 12,160.

Chief Financial Officer’s Report *continued*

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



Research grants and contracts

Research income of £177m was £47m (36%) higher than prior year. Following disruption due to COVID-19 during the last two years, we have seen a strong recovery this year with research activity returning to more normal levels. Our underlying research performance has been strong, with new research awards, which is our lead indicator measure of research performance, at £177m (2020/21 £174m). This represents a second consecutive strong year for awards and creates a healthy pipeline of research grant income for future years.

Our largest research award this year was £4.7m (part of a total investment of £8.9m covering new PhD scholarships, knowledge exchange activity as well as research) from The Clothworkers’ Company to create the Leeds Institute of Textiles and Colour (LITAC) in the Faculty of Arts, Humanities and Cultures. This is a collaborative, multi-disciplinary research institute addressing global challenges in textiles, colour and fashion through research and innovation, as well as teaching. The Centre is particularly focused on the development of innovative science and technology, materials, methods and processes. Technology-driven sustainable development is a major part of their work. Our next largest award was £3.8m from Yorkshire Cancer Research to the Faculty of Medicine and Health to continue the Yorkshire Lung Screening Trial. In addition the Faculty of Biological Sciences was successful in winning a new award of £2.5m from the Wellcome Trust. It is also noted that we received £0.2m funded by the John Lewis Partnership The Circular Future Fund.

The Faculty of Engineering and Physical Sciences received over £31.8m in new awards from EPSRC including the renewal of SuperStem which is a research facility for Advanced Electron Microscopy embedded within the UK academic community through a consortium of universities, led by the University of Leeds and joined by the Universities of Glasgow, Liverpool, Manchester, Oxford and York.

The University also received 60 awards totalling £15.5m from NIHR, the majority of which are within the Faculty of Medicine and Health.

£177m

*Research grants and contracts:
new awards (2020/21: £174m)*

Chief Financial Officer's Report *continued*



Other income

Other income including other operating income, investments, donations and endowments, was £35m higher than last year. In 2021/22 levels of student residences occupancy increased and income has returned to more normal levels following the disruption of the pandemic, whilst we have seen a partial recovery in other sources of campus income. Donation income has also grown in the last year.

This year has been marked by considerable foundational work to enable the philanthropic growth planned over the 10-year strategy period. A new Philanthropy Steering Group has been established, a series of briefing workshops have been held for academic leaders, the first tranche of fundraising projects are in development – and a significant programme of staff recruitment is underway, which will continue into the coming year.

The value of new funds raised has increased this year, with gifts totalling £16.5m (5-year value) committed by 2,871 donors. We have seen particular growth in the number of £1m+ donations, in line with our strategy to develop our transformational giving programme to support the University's mission and impact.

Notable contributions have included:

- a gift from Clive and Pauline Summerhayes to establish a new fellowship scheme enabling the next generation of exceptional academics to tackle health inequalities and disease prevention
- funding to launch a £4.2m research programme – the 'First 1,000 Days Yorkshire' – to look at how to give children the best start in life, and thereby enhance their long-term health, social and educational development
- a £250,000 grant from the Peter Sowerby Foundation to enable critical research associated with the 'Wild Ingleborough' conservation project. Three Ann Sowerby Research Scholars will monitor and investigate the benefits of the project for people, nature and climate, working closely with the community and our project partners
- funds to enable the award of 123 undergraduate and 88 masters scholarships for students from less advantaged backgrounds

Expenditure

Staff costs (before the movement in the USS provision) of £463m were 6% higher (2020/21 £436m). Staff recruitment activity increased during the year, as COVID-19 spend mitigation controls were relaxed, and we began to recruit new roles to support the delivery of our new strategic initiatives. Despite our intent the overall recruitment has been slower than planned, as we are often recruiting specialist roles within high demand skills markets e.g. IT, cyber, data analysts and programme managers hence we anticipate further increases in staff numbers and costs through into 2022/23. The increase in staff costs also reflects increased National Insurance contributions from April 2022.

Other operating expenditure (including depreciation and impairment) increased by 23% to £394m (2020/21 £321m). This increase was partly due to the easing of COVID-19 related restrictions on discretionary spend, the increase in research activity and the early impacts of the rise in energy prices.

We saw a £20m year on year increase in utility costs, largely as a consequence of recent global events, including the war in Ukraine which started in February, and we will see further increases in 2022/23. Most of the University's utility requirements are met by its Combined Heat and Power plan, which is supplemented by imported gas and electricity. This energy is purchased by our Energy partners up to a year in advance, with 20% purchased 1 year in advance increasing to 80% hedged at 3 months before requirement. The increase in Other operating expenditure also reflected investment in strategic change programmes (as described further below).

Investment priorities

As mentioned, 2021/22 saw the commencement of a major investment programme targeted at initiatives which will be critical for the delivery of our 2020-2030 strategy. These investments total in excess of £650m in the 5 years to 2025/26 and include initiatives that generate new income, enhance productivity, provide key enabling infrastructure, and advance our net zero ambition. The Net Zero strategy has had no impact on the financial statements in 2021/22.

In 2021/22 we mobilised new programmes to address underlying IT infrastructure issues and to provide a stable base and the necessary capability to enable delivery of our Digital Transformation strategy. In addition the Student Lifecycle and Corporate Processes & Systems programmes increased delivery activity, following two years of lower levels of activity as a result of pandemic pressures.

Chief Financial Officer's Report *continued*



Pensions

This year's financial statements reflect the results of the 2020 actuarial valuation for the Universities Superannuation Scheme (USS) which shows a significant increase in the funding deficit from £3.6bn to £14.1bn, despite reflecting a significant covenant support package from employers in addition to benefit changes implemented from April 2022.

The total employer contribution rate increased from 21.1% to 21.4% in October 2021, and to 21.6% from April 2022. The deficit recovery contribution rate included in the employer contribution was 2% until Sept 21, with no deficit recovery contributions required from October 2021 to March 2022 and it then increased to 6.2% from April 2022.

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. Therefore the provision has increased to £277m reflecting the outcome of the 2020 valuation (2020/21: £103m).

The University of Leeds Pension and Assurance Scheme (PAS) completed its triennial valuation as at March 2020, which reported a deficit of £66m, but had returned to a surplus position in May 2021 when the valuation was signed. As a consequence it was agreed with the Trustees that we would maintain employer and employee contributions at the existing level for now but this will be reviewed at the next valuation.

The Statement of Comprehensive Income includes an actuarial gain of £162m mainly owing to a reduction in the value of the liabilities due to an increased discount rate resulting from the rise in corporate bond yields. The scheme, as reported for accounting purposes, has moved from a deficit of £85m in July 2021 to a surplus of £62m in July 2022.

Balance Sheet

Our Balance Sheet has remained strong despite the impacts of the pandemic, because our mitigating actions and financing strategy enabled us to protect our asset base including maintaining a high level of liquidity. Our cash position was particularly strengthened during the period of the pandemic through the successful £50m bond tap in 2020, and the pause on the commencement of new capital programmes as one of our COVID-19 mitigating actions. A strong cash position now means that we are able to continue at pace with our investment plans, which will be critical for delivering the benefits of the 2020-2030 strategy, and it provides a cushion which will help us weather the immediate and medium term impacts of the high inflationary pressures.

£37m

Capital Expenditure (2020/21: £64m)

Year on year net assets increased by £38m from £732m to £770m. The significant pension movements noted above resulted in a net pension adverse movement of £18m, endowments decreased in value by £3m, but these impacts were both offset by the underlying operating surplus of £60m in the year.

The net book value of tangible fixed assets (including heritage assets) has decreased by £32m to £940m; this includes depreciation of £64m and one-off impairment charges of £3m.

The University has invested £37m predominantly in new academic facilities, equipment and infrastructure improvements in the year (2020/21: £64m).

Chief Financial Officer's Report *continued*

The University retained £531m of cash and current investments at 31 July 2022 of which £120m was held on short-term deposits, £290m was held in 4 separate money market funds, £100m was held in a cash plus fund and the remaining £21m was held on-call. The University treasury policy determines that we focus on the most secure institutions and funds, with a deposit limit of £100m for AAA rated institutions or funds, of £30m for AA, and of £15m for A. In addition, we still 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 in the case of our worst case COVID-19 downside scenarios crystallising.

In October 2022, Moody's downgraded the outlook for the UK government from stable to negative. Subsequently they undertook ratings actions on 64 sub-sovereign entities. Moody's issued an updated credit opinion on the University of Leeds in November 2022, confirming the existing rating of A1 with stable outlook. The stable outlook reflects our *"resilience to a weakening economy due to very high student demand, both domestic and international, diverse income, high level of cash and investments and limited exposure to rising interest rates given long-term, fixed rate funding."*

"[...] we have shown our ability to strike an appropriate balance between the management of significant financial risks and progressing at pace with the development of the University's 2020-2030 strategy, including the prioritisation of critical strategic investments."

After standard loan repayments of £4m this year, increases in unrestricted reserves and unrestricted endowments, the gearing ratio has reduced at 31 July 2022 to 51% (2020/21: 55%).

At £87m, the value of the endowment portfolio has decreased by £3m (2020/21: £90m) largely as a consequence of the depreciation in the value of global equities. Ongoing projects have been funded through a distribution of £2.5m in the year. In October 2022 we adopted a new investment strategy for our endowment portfolio – "Tomorrow's World." Our endowment portfolio is now invested in purposeful institutions which aim to solve people and the planet's problems profitably, without benefiting from causing harm to the world.

Conclusion

Whilst it is pleasing to report an underlying operating surplus (before USS movement) of £60m and to have added £76m to our cash position, it is critical that we use our cash position to invest at pace in the new income generating and productivity enhancing strands of our strategy, so that over time we can build up to our planned surplus levels.

During the period of the pandemic and recent recovery from it, we have shown our ability to strike an appropriate balance between the management of significant financial risks and progressing at pace with the development of the University's 2020-2030 strategy, including the prioritisation of critical strategic investments. We are committed to continuing to do the same through this next period, and whilst we regard pushing ahead with our strategic investment plans as critical in securing our planned surplus levels, we remain vigilant to the risk landscape and stand ready to respond, by adapting our plans or deploying measures that we have used successfully through the pandemic, if required.

Our latest financial plans are realistic in reflecting the inflationary pressures and forecast utility pricing but also protect the investment required to implement critical IT infrastructure plans and our strategic programmes. In each case these investments will directly deliver or create a sustainable platform from which we will transform the way in which we deliver excellent research, education and student experience in a digitally transformed world. Alongside this we will make significant investments in our campus to deliver on our net zero carbon objective by 2030.

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 2022 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
- 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
- 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. The non-audit services provided to the Group and the University for the year are disclosed in note 9 to the financial statements. 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 £11.14m (2021: £7.54m) which was determined on the basis of 1.2% of total income (2021: 1.1% of total income).
Scoping	A full scope audit was performed on the University covering 99% of the Group's total income (2021: 99%), and 100% of the Group's total net assets (2021: 100%).
Significant changes in our approach	In the current year, the Covid-19 adjustment to research grant income was no longer considered to be a key audit matter based on our risk assessment and our understanding of this balance. Following our detailed risk assessment and completion of our audit work we have identified two new key audit matters for the current year. Firstly, capitalisation of expenditure and whether classification as either capital spend or in year expense is appropriate. Secondly, the valuation of pension scheme liabilities.

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 governing body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

- assessment and challenge of the Group's forecast by considering the historical accuracy of previous forecasts, and by assessing whether the assumptions are reasonable given the current significant increases in the cost of energy and wider inflation
- analysis of the University's financial position, including the size and liquidity of its investment portfolio
- evaluation of forecast loan covenant compliance and the amount of headroom thereon
- comparison of post year end performance to forecasts
- assessment of 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 governing body with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

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

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

5.1. Capitalisation of expenditure

Key audit matter description

- The Group recognised a total of £35.6m (2021: £64.0m) of additions to property, plant and equipment and assets under construction in the year to 31 July 2022, as disclosed in note 13 to the financial statements. These predominantly relate to new academic facilities and infrastructure improvements.
- There is a judgement as to whether the expenditure included in this amount correctly meets the definitions of capital spend under FRS 102, as well as whether there are items included as expenditure and not capitalised that do in fact meet the criteria of capital spend under FRS 102. Inappropriate accounting judgments could be utilised as a method to fraudulently manipulate the financial statements by capitalising amounts which should be recognised as expenditure or by expensing items that should be capitalised and hence we consider this to be a risk of material misstatement due to fraud.
- Details of the accounting policies applied are set out in the statement of accounting policies note 13. Further information is in the annual report on pages 64 and 79.

How the scope of our audit responded to the key audit matter

- Obtained an understanding of the relevant key controls over capitalisation of fixed assets including those in respect of related classes of transactions in the statement of comprehensive income and expenditure.
- Tested a sample of additions to fixed assets to supporting documentation and physical verification, and assessed management's judgement that these specific additions represented capital items.
- Tested a sample of equipment purchases and maintenance, and estate repairs and maintenance, to supporting documentation, and assessed management's judgement that these specific expenses represented expenditure items that should not have been recognised on the balance sheet.
- Considered the appropriateness of the related disclosures in note 13 to the consolidated financial statements by reference to the audit procedure outlined above.

Key Observations

Based on the procedures performed we are satisfied that both capitalisation and expensing of expenditure is appropriate.

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

5.2. Valuation of pension scheme liabilities

<p>Key audit matter description</p>	<ul style="list-style-type: none"> • 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). • The audit of the associated pension scheme obligations requires the assessment of significant estimates made by the University, involves the input of management experts and auditor specialists, and takes a significant amount of audit effort. For these reasons that we identified this area as a key audit matter. • The USS scheme is a multi-employer scheme with a large deficit. 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 increased from £102.5m at 31 July 2021 to £277.4m at 31 July 2022. • The impact of the current macroeconomic environment makes the provision more sensitive to changes in assumptions that in previous periods and there is a greater degree of uncertainty associated to key assumptions, in particular the pay rise assumption due to the current high levels of inflation and increased wage uncertainty. 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 from the guidance and models provided by the British Universities Finance Directors’ Group (BUFDG). • The PAS scheme is a defined benefit pension scheme. As at 31 July 2022 it is in a net surplus position of £62.3m (31 July 2021: deficit of £85.0m) with gross liabilities of £500.0m (31 July 2021: £686.3m), 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. • Further information is in the annual report on pages 57 and 79, the statement of accounting policies note 7 and is a key source of estimation uncertainty as disclosed in the statement of accounting policies note 23. 	<p>How the scope of our audit responded to the key audit matter</p> <ul style="list-style-type: none"> • Obtained an understanding of the key controls over how the significant assumptions applied in the model are determined; • We considered the impact of sensitivity analysis on the pension obligations when finalising our detailed risk assessment; • In respect of the USS model we tested the mechanical accuracy of the model applied and evaluated the methodology and rationale for the specific adjustments made to the model to reflect University’s specific circumstances; • Engaged with our actuarial specialists to assist in considering and assessing the actuarial assumptions adopted by the Group in valuing the pension scheme obligations; • In respect of the significant risk identified on the pay rise assumption in the USS pension obligation model, we assessed the reasonableness of management’s estimates around pay inflation, including examining the accuracy of past estimates. We also assessed the consistency of these estimates with other forecasts and plans within the University and with reference to inflation curves from our actuarial specialists and other external sources; and • Considered and assessed the related disclosures included in the financial statements including this in respect of key sources of estimation uncertainty 	
		<p>Key Observations</p>	<p>Based on the procedures performed we are satisfied that the valuation of the pensions liabilities and the related disclosures are satisfactory. In respect of the significant risk identified we find the pay rise assumptions used in the calculation of the USS pension obligation to be reasonable and supportable.</p>

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

6. Our application of materiality

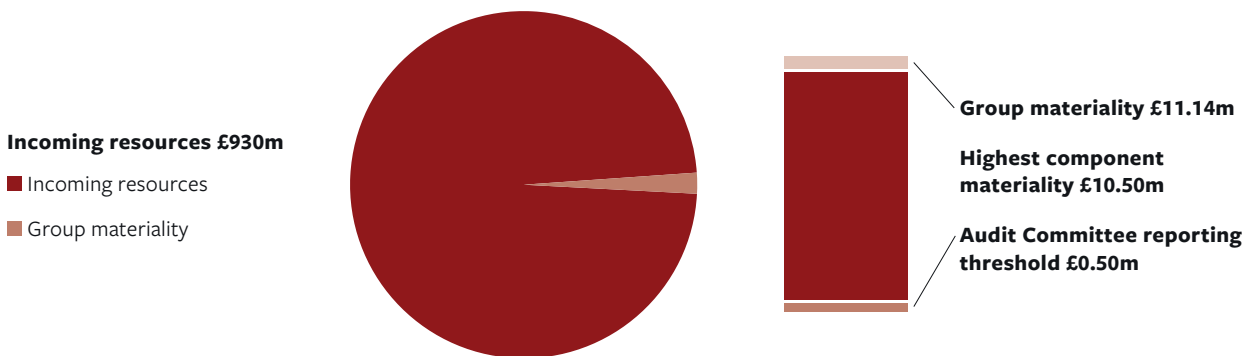
6.1. Materiality

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	£11.14m (2021: £7.54m)	£10.50m (2021: £7.52m)
Basis for determining materiality	1.2% of total income (2021: 1.1% of total income)	University materiality equates to 1.13% of total income (2021: 1.1% of total income), which represents 94.3% of Group materiality (2021: 99.7%)
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 business and is a key metric for users of the financial statements.	

The amounts disclosed in note 10, Access and participation has been audited to a lower materiality of £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% of the total expenditure disclosed in that note (£17.7m). No other account balances, classes of transactions or disclosures have been audited to a materiality lower than that for the financial statements as a whole.



6.2. Performance materiality

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

	Group financial statements	University financial statements
Performance materiality	65% (2021: 65%) of Group materiality	65% (2021: 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"> a. our risk assessment, including our assessment of the Group's overall control environment b. the number of corrected and uncorrected misstatements identified in previous audits c. the level of turnover of management and key accounting personnel 	

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

6.3. Error reporting threshold

We communicated to the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.5m (2021: £0.4m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risk of material misstatement at the Group level. The Group 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 (2021: 99%), and 100% of the Group's total net assets (2021: 100%) by the Group audit team. There have been no significant changes in our scoping compared to prior year.

At the Group level, our work also included the involvement of specialists from pensions, IT, taxation and financial instrument specialists.

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 governing body 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 Vice Chancellor'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
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and relevant internal specialists, including pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: capitalisation of 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 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 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
- 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
- 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 governing body 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 18 years, covering the years ending 31 July 2005 to 31 July 2022.

14.2. Consistency of the audit report with the additional report to the audit committee

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

15. Use of our report

This report is made solely to the governing body 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 board of governors 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 2022

Financial statements

for the year ended 31 July 2022



Consolidated and University statement of comprehensive income and expenditure

for the year ended 31 July 2022

	Notes	2021/22		2020/21	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	500,511	499,336	406,517	405,712
Funding body grants	2	95,236	95,236	96,239	96,239
Research grants and contracts	3	177,297	177,297	130,142	130,142
Other income	4	142,431	138,648	112,868	111,258
Investment income	5	3,374	3,447	2,893	2,951
Donations and endowments	6	10,686	10,686	5,434	5,434
Total income		929,535	924,650	754,093	751,736
Expenditure					
Staff costs excluding movement in USS deficit funding liability	7	(463,115)	(459,807)	(435,662)	(432,741)
Movement on USS provision	24	(179,569)	(179,569)	3,776	3,776
Total staff costs		(642,684)	(639,376)	(431,886)	(428,965)
Other operating expenses	9	(326,080)	(324,190)	(242,812)	(241,332)
Depreciation and amortisation	12, 13	(64,585)	(63,970)	(61,197)	(60,673)
Impairment of tangible and intangible assets	12, 13	(3,125)	(3,125)	(16,502)	(16,502)
Interest and other finance costs	8	(12,478)	(12,444)	(12,384)	(12,364)
Total expenditure	9	(1,048,952)	(1,043,105)	(764,781)	(759,836)
Operating deficit		(119,417)	(118,455)	(10,688)	(8,100)
Realised (loss)/gain on disposal of non-current assets		(2,613)	(5,963)	3,520	3,520
Unrealised (losses)/gains on investments		(1,774)	(1,774)	6,942	6,150
Share of operating surpluses/(deficits) in joint ventures		30	—	(14)	—
Share of operating deficits in associates		(276)	—	(83)	—
(Deficit)/surplus before tax		(124,050)	(126,192)	(323)	1,570
Taxation (charge)/credit	11	(172)	(142)	8	—
(Deficit)/surplus for the year		(124,222)	(126,334)	(315)	1,570
Actuarial gain in respect of pension schemes	32	161,935	161,935	16,571	16,571
Total comprehensive income for the year		37,713	35,601	16,256	18,141
Represented by:					
Endowment comprehensive (expense) /income for the year		(3,011)	(3,011)	8,314	8,314
Restricted comprehensive income/(expense) for the year		2,780	2,780	(4,210)	(4,210)
Unrestricted comprehensive income for the year		37,944	35,832	12,152	14,037
		37,713	35,601	16,256	18,141

All items of income and expenditure relate to continuing activities.

Consolidated and University statement of changes in reserves

for the year ended 31 July 2022

Consolidated	Notes	Income and expenditure account			Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2020		82,143	17,986	615,815	715,944
Surplus/(deficit) from the statement of comprehensive income		8,314	(4,210)	(4,419)	(315)
Other comprehensive income	32	—	—	16,571	16,571
Total comprehensive income/ (expense) for the year		8,314	(4,210)	12,152	16,256
Balance at 31 July 2021		90,457	13,776	627,967	732,200
(Deficit)/surplus from the statement of comprehensive income		(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

University	Notes	Income and expenditure account			Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2020		82,143	17,950	619,262	719,355
Surplus/(deficit) from the statement of comprehensive income		8,314	(4,210)	(2,534)	1,570
Other comprehensive income	32	—	—	16,571	16,571
Total comprehensive income/ (expense) for the year		8,314	(4,210)	14,037	18,141
Balance at 31 July 2021		90,457	13,740	633,299	737,496
(Deficit)/surplus from the statement of comprehensive income		(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

Consolidated and University balance sheet

for the year ended 31 July 2022

	Notes	2021/22		2020/21	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000 Restated ¹
Non-current assets					
Intangible assets	12	4,888	4,888	2,037	2,037
Fixed assets	13	907,650	899,924	941,827	933,636
Heritage assets	14	32,425	32,425	30,045	30,045
Investments	16	84,090	89,748	89,356	100,901
Investments in joint ventures	17	206	—	218	—
Investments in associates	18	285	—	546	—
Debtors: falling due after more than one year	19	—	6,132	—	4,985
Retirement benefit asset	32	62,358	62,358	—	—
		1,091,902	1,095,475	1,064,029	1,071,604
Current assets					
Stock		1,092	1,048	1,053	1,029
Debtors: falling due within one year	19	91,066	91,822	91,714	93,910
Investments	20	45,000	45,000	40,445	40,445
Cash and cash equivalents	21	486,107	484,583	414,919	413,494
		623,265	622,453	548,131	548,878
Less: Creditors: amounts falling due within one year	22	(301,427)	(300,034)	(320,406)	(322,393)
Net current assets		321,838	322,419	227,725	226,485
Total assets less current liabilities		1,413,740	1,417,894	1,291,754	1,298,089
Creditors: amounts falling due after more than one year	23	(353,224)	(354,825)	(356,342)	(358,054)
Provisions					
Pension provisions	24	(277,447)	(277,447)	(187,509)	(187,509)
Other provisions	24	(13,156)	(12,526)	(15,703)	(15,030)
Total net assets		769,913	773,096	732,200	737,496

¹ Refer to note 19.

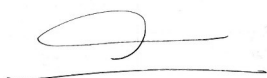
Consolidated and University balance sheet *continued*

for the year ended 31 July 2022

	Notes	2021/22		2020/21	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Restricted Reserves					
Income and expenditure reserve – endowment reserve	25	87,446	87,446	90,457	90,457
Income and expenditure reserve – restricted reserve	26	16,556	16,520	13,776	13,740
Unrestricted Reserves					
Income and expenditure reserve — unrestricted		665,911	669,130	627,967	633,299
Total Reserves		769,913	773,096	732,200	737,496

The financial statements were approved by Council on 30 November 2022 and were signed on its behalf by:

Professor Simone Buitendijk, Vice-Chancellor



Alastair Da Costa, Pro-Chancellor and Chair of Council



Jane Madeley, Chief Financial Officer



Consolidated statement of cash flows

for the year ended 31 July 2022

	Notes	2021/22 £'000	2020/21 £'000
Cash flow from operating activities			
Deficit before tax		(124,050)	(323)
Adjustment for non-cash items			
Depreciation	13	64,037	60,893
Amortisation of intangibles	12	548	304
Impairment of assets	12, 13	3,125	16,502
Donated heritage assets	14	(2,320)	—
Loss/(gain) on investments		1,774	(6,942)
Defined benefit pension adjustment		13,150	9,246
Increase in stock		(39)	(273)
Decrease/(increase) in debtors		400	(6,219)
(Decrease)/increase in creditors		(17,874)	97,866
Increase/(decrease) in pension provisions		173,999	(8,173)
Decrease in other provisions		(2,505)	(23,683)
Share of operating (surpluses)/deficits in joint ventures		(30)	14
Share of operating deficits in associates		276	83
Adjustment for investing or financing activities			
Investment income	5	(3,374)	(2,893)
Interest and other finance costs	8	12,478	12,384
Endowment income	6	(952)	(19)
Loss/(profit) on disposal of fixed assets		2,613	(3,520)
Capital grant income		(16,946)	(6,886)
Cashflows from operating activities		104,310	138,361
Tax paid		(145)	(40)
Net cash inflow from operating activities		104,165	138,321
Cash flows from investing activities			
Proceeds from sales of non current assets		881	282
Capital grant receipts		15,850	16,578
Disposal of non-current asset investments		3,740	1,855
Placement of deposits		(34,555)	(45,427)
Withdrawal of deposits		30,000	75,000
Investment income		3,286	3,342
Payments made to acquire fixed assets	13	(33,239)	(63,768)
Payments made to acquire intangible assets	12	(3,696)	(394)
Payments made to acquire heritage assets	14	(60)	(213)
New non-current asset investments	16, 18	(1,985)	(2,004)
Net cash outflow from investing activities		(19,778)	(14,750)

Consolidated statement of cash flows *continued*

for the year ended 31 July 2022

	Notes	2021/22 £'000	2020/21 £'000
Cash flows from financing activities			
Interest paid		(9,532)	(9,494)
Interest element of finance lease and service concession payments	8	(1,032)	(1,067)
Endowment cash received		63	19
Additions to service concession and new finance leases		1,276	576
Repayments of amounts borrowed		(1,965)	(2,748)
Capital element of finance lease and service concession payments		(2,009)	(1,897)
Net cash outflow from financing activities		(13,199)	(14,611)
Increase in cash and cash equivalents in the year			
		71,188	108,960
Cash and cash equivalents at beginning of the year	21	414,919	305,959
Cash and cash equivalents at end of the year	21	486,107	414,919

Statement of accounting policies

for the year ended 31 July 2022

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

These 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 Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention 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.

As per the going concern section of the Corporate Governance report, the University continues to adopt the going concern basis in preparing the Annual Report and Accounts.

The financial statements are prepared in £ Sterling which is the functional currency of the Group and rounded to the nearest £'000 unless otherwise stated.

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 results of subsidiaries acquired or disposed of during the period are included in the Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

Associated companies and joint ventures 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, income received under the Government's Job Retention Scheme (JRS) 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 2022

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 defined-benefit schemes which 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 defined benefit 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 therefore this scheme is 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.

Statement of accounting policies *continued*

for the year ended 31 July 2022

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.

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 group entities pay 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. 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 2022

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 FRS 102 and the 2019 FE HE SORP, 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 related items costing less than £25,000 are written off in the year of acquisition. All other equipment is capitalised. On a similar basis, the University's subsidiaries apply limits of £1,000 or less, commensurate with their lower asset values.

Capitalised Equipment is stated at cost and depreciated in equal instalments over its expected useful life as follows:

- computing equipment – 4 to 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 (SOCIE).

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 £25,000 have been capitalised and are recognised at their value where reasonably obtainable, or their cost of acquisition.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

The assets are subject to an annual impairment indicators review in accordance with applicable accounting standards.

15. Intangible assets

Where the Group has control over the asset, intangible assets that cost more than £25,000 are capitalised at cost and are amortised on a straight line basis over four to five years representing the estimated economic life of the assets.

Intangible assets are subject to an assessment whether there are any indicators of impairment at each reporting date. If such indicators exist, the University 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 joint ventures, associates and subsidiaries are carried at cost less impairment in the University's separate financial statements.

Current asset investments are held at fair value with movements recognised as unrealised gains/losses within 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 allowing for all further costs.

18. Cash and cash equivalents

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. It 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.

Statement of accounting policies *continued*

for the year ended 31 July 2022

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 Group 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 investments in subsidiaries 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 and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income and Expenditure in other operating expenses.

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

Fair value measurement

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

20. Provisions

Provisions are recognised in the financial statements when:

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

Where material, the amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Statement of accounting policies *continued*

for the year ended 31 July 2022

21. Taxation

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

The University receives no similar exemption in respect of Value Added Tax.

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 invest 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. 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. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and 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.

Assets under construction

The University is undergoing a period of significant capital expenditure. A judgement must be made as to when an asset ceases to be classified as under construction and is available for use. Once available for use, the asset is transferred into the appropriate asset category eg. buildings or equipment, and depreciation commences. This judgement therefore affects both the classification of the asset in note 13 and the depreciation charge for the year.

Recognition of surplus on defined benefit pension scheme

In the year, the University has recognised a surplus on the defined benefit pension scheme for PAS. This is on the basis that contributions to the Scheme can be reduced in future years as a result of the surplus.

Significant estimation uncertainties

Retirement benefits obligations

The University operates its own defined benefit scheme, the University of Leeds Pension and Assurance Scheme (PAS), and participates in the Universities Superannuation Scheme (USS). Actuarial valuations are carried out as determined by the trustees 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, including sensitivities, are documented in note 32.

Statement of accounting policies *continued*

for the year ended 31 July 2022

USS

The University has a contractual commitment to fund past deficits arising within the Universities Superannuation Scheme (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. The provision was calculated using a discount rate of 3.32% (2021: 0.88%) and an estimate of the changes in staffing levels and pay increases.

A new deficit recovery plan 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 increase to the provision of £186m as at 31 July 2022. 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 detail are set out in note 24.

Discount rate

The discount rate used in the calculation of the provision is 3.32% (2021: 0.88%). 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 by £38.8m and decrease the 2021/22 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 by £50.0m and increase the 2021/22 provision by the same amount
- if this increase of 2% per annum was applied to just one year in the model, the charge to the Statement of Comprehensive Income would increase by £5.3m
- 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 by £51.7m and increase the 2021/22 provision by the same amount
- if this increase of 2% per annum was applied to the first year only, it would result in an increase of £5.3m

Research income

In applying the University's accounting policy for research grant income, an estimate is made as to the progress against performance conditions on individual grants. The estimate takes into account expenditure to date, combined with overall progress against the performance conditions; the latter based on surveys from the Principal Investigators. In the current year, progress against the performance conditions on certain grants continues to be delayed due to the on-going impact of the COVID-19 pandemic. However, activity levels have generally increased back to normal levels and therefore income that was previously deferred has been released to the Statement of Comprehensive Income, matching the costs incurred in the delivery of these projects. The expectation is grants will take 2-3 years to either complete or catch up, and at this point all the related income will be recognised.

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.

Notes to the accounts

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts				
Full-time Home/EU students	208,118	208,118	210,828	210,828
Full-time international students	258,638	258,638	162,833	162,833
Part-time Home/EU students	6,812	6,812	6,484	6,484
Part-time international students	1,313	1,313	836	836
Research Training Support Grants	12,715	12,715	13,823	13,823
Short Course Fees	10,997	9,822	9,866	9,061
NHS Teaching Contract	1,918	1,918	1,847	1,847
	500,511	499,336	406,517	405,712

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.

2 Funding body grants				
Recurrent grants:				
OfS	26,254	26,254	24,620	24,620
UKRI	48,724	48,724	47,336	47,336
OfS Capital	2,030	2,030	2,677	2,677
UKRI Capital	5,838	5,838	5,714	5,714
Specific grants:				
Higher Education Innovation Fund	5,495	5,495	4,687	4,687
Widening Participation	1,652	1,652	782	782
Collaborative Outreach	1,874	1,874	2,906	2,906
Global Challenges Research Fund	23	23	2,200	2,200
Hardship	—	—	1,444	1,444
Other (less than £0.5m each)	3,346	3,346	3,873	3,873
	95,236	95,236	96,239	96,239

3 Research grants and contracts				
Research Councils (UK)	89,606	89,606	62,494	62,494
UK Based Charities	27,363	27,363	21,761	21,761
UK Government	24,663	24,663	19,942	19,942
UK Industry	6,889	6,889	5,204	5,204
European Commission	14,104	14,104	11,671	11,671
Other Grants & Contracts	14,672	14,672	9,070	9,070
	177,297	177,297	130,142	130,142

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3a The sources of grant and fee income included in notes 1 to 3 are as follows:				
Grant and fee income:				
Grant income from the OFS	30,158	30,158	30,203	30,203
Grant income from other bodies	65,078	65,078	66,036	66,036
Fee income for research awards (exclusive of VAT)	177,297	177,297	130,142	130,142
Fee income from non-qualifying courses (exclusive of VAT)	23,712	22,537	23,689	22,884
Fee income for taught awards (exclusive of VAT)	476,799	476,799	382,828	382,828
	773,044	771,869	632,898	632,093
4 Other income				
Residences, Catering and Conferences	62,740	59,119	42,425	40,711
Health Authorities	13,060	13,060	12,886	12,886
Subscriptions	1,830	1,830	1,331	1,331
Grants	12,078	12,078	10,487	10,487
Other Services Rendered	15,884	15,884	13,774	13,774
National Institute for Health Research (NIHR)	24,882	24,882	22,461	22,461
Other Income	11,957	11,795	9,504	9,608
	142,431	138,648	112,868	111,258
5 Investment income				
Income from expendable endowments	139	139	168	168
Income from permanent endowments	1,661	1,661	2,306	2,306
Income from short-term investments	1,381	1,381	395	395
Other investment income	193	266	24	82
	3,374	3,447	2,893	2,951
6 Donations and endowments				
New endowments	952	952	19	19
Donations with restrictions	5,255	5,255	3,533	3,533
Unrestricted donations	4,479	4,479	1,882	1,882
	10,686	10,686	5,434	5,434

Notes to the accounts *continued*

for the year ended 31 July 2022

	Consolidated	
	2021/22	2020/21
7 Staff costs		
Average staff numbers (full-time equivalents) by major category	Number	Number
Academic/Teaching	2,357	2,314
Research	1,070	1,088
Management/Professional	1,644	1,535
Support	3,057	2,909
	8,128	7,846

	2021/22		2020/21	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Wages and salaries	354,856	351,943	337,114	334,482
Social security costs	35,251	35,035	31,234	31,040
Movement on USS provision due to changes in deficit recovery plan and assumptions	179,569	179,569	(3,776)	(3,776)
Other pension costs	68,397	68,224	62,694	62,599
Apprenticeship levy	1,607	1,601	1,515	1,515
Severance payments	3,004	3,004	3,105	3,105
	642,684	639,376	431,886	428,965

Severance payments were payable to 161 individuals (2021: 194).

	2021/22	2020/21
	£'000	£'000
Emoluments of the Vice-Chancellor Professor Simone Buitendijk		
From 1st September 2021		
Salary	330	302
Employer contributions to defined benefit scheme	—	—
Benefits in kind	—	—
	330	302

2020/21 includes 11 months of emoluments.

Notes to the accounts *continued*

for the year ended 31 July 2022

7 Staff costs (continued)		
	2021/22	2020/21
	£'000	£'000
Emoluments of the Vice-Chancellor Sir Alan Langlands		
From 1st August 2020 to 31st August 2020		
Salary	—	33
Employer contributions to defined benefit scheme	—	1
Benefits in kind	—	—
	—	34

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

The Remuneration Committee assessed the remuneration package of the Vice-Chancellor at its meeting in July 2022. The Committee reflected on the Vice-Chancellor's performance since taking up post in September 2020 and considered feedback gathered by the Chair of Council from members of Council, the Vice-Chancellor's direct reports, and some other members of the University community alongside the University's ambitious 2020-2030 Strategy. The Committee concluded that the Vice-Chancellor was performing at an extremely high level during a period of significant challenge for the HE sector.

Taking into account the external environment, the CUC Higher Education Senior Staff Remuneration Code, and the policy for the remuneration of senior staff at the University of Leeds, the Remuneration Committee agreed that the Vice-Chancellor's current remuneration package remained appropriate. No increase was therefore applied.

The Vice-Chancellor, Professor Simone Buitendijk, and her predecessor Sir Alan Langlands (until August 2020), continued to hold a number of external appointments (see link), but received no income from those positions.

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

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

Vice Chancellor – Simone Buitendijk

The Vice Chancellor's basic salary (on a full-time equivalent basis) is 11.3 times the median pay of staff (2021: 11.7), where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff.

The Vice Chancellor's total remuneration (on a full-time equivalent basis) is 10.0 times the median total remuneration of staff (2021: 10.3), where the median total remuneration is calculated on a full time equivalent basis for the total remuneration 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 to that of employees within the institution (a calculation that excludes those individuals who are engaged on worker contracts):

The Vice Chancellor's basic salary (on a full-time equivalent basis) is 9.3 times the median pay of employees (2021: 9.2), where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its employees.

The Vice Chancellor's total remuneration (on a full-time equivalent basis) is 7.9 times the median total remuneration of employees (2021: 7.8), where the median is calculated on a full time equivalent basis for the total remuneration of its employees.

Notes to the accounts *continued*

for the year ended 31 July 2022

	Consolidated	
	2021/22	2020/21
Basic salary of higher paid staff calculated on a full-time equivalent basis	Number	Number
£100,000 - £104,999	52	28
£105,000 - £109,999	31	14
£110,000 - £114,999	51	51
£115,000 - £119,999	6	11
£120,000 - £124,999	15	14
£125,000 - £129,999	7	7
£130,000 - £134,999	8	12
£135,000 - £139,999	9	4
£140,000 - £144,999	3	4
£145,000 - £149,999	2	1
£150,000 - £154,999	4	6
£155,000 - £159,999	3	2
£160,000 - £164,999	1	3
£165,000 - £169,999	1	—
£170,000 - £174,999	4	1
£175,000 - £179,999	2	4
£180,000 - £184,999	2	4
£185,000 - £189,999	2	2
£190,000 - £194,999	1	—
£195,000 - £199,999	—	2
£205,000 - £209,999	1	1
£210,000 - £214,999	—	1
£215,000 - £219,999	1	1
£220,000 - £224,999	1	—
£300,000 - £305,000	—	1
£330,000 - £335,000	1	—
	208	174

2020/21 includes 11 months of emoluments for the Vice-Chancellor.

Prepared in accordance with paragraph 12 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 consisted of the Vice Chancellor, Chief Operating Officer, Deputy Vice Chancellors, Executive Deans, Chief Financial Officer, Chief People and Culture Officer and the University Secretary. 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	
	2021/22	2020/21
	£'000	£'000
Key management personnel compensation	3,178	3,556

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Interest and other finance costs				
Interest payable on bank loans	153	153	139	139
Interest payable on bond	8,896	8,896	8,957	8,957
Pension scheme charges	2,366	2,366	2,162	2,162
Finance lease interest (including service concession finance charge)	1,032	998	1,067	1,052
Other interest	31	31	59	54
	12,478	12,444	12,384	12,364

9 Analysis of total expenditure by activity				
Academic departments	307,540	307,540	285,085	285,085
Research grants and contracts	164,609	164,609	151,524	151,524
Total teaching and research	472,149	472,149	436,609	436,609
Admin and corporate services	200,741	198,580	148,753	146,647
Premises	99,882	99,882	94,117	94,117
Residences, catering and conferences	74,218	70,467	69,457	66,511
Other expenses	22,028	22,093	19,444	19,551
Pensions provisions not allocated to departments	179,934	179,934	(3,599)	(3,599)
	1,048,952	1,043,105	764,781	759,836

Other operating expenses				
Equipment purchases and maintenance	21,632	21,624	23,204	23,135
Estate repairs and maintenance	15,821	15,455	16,355	15,915
Release of estate provisions	—	—	(15,300)	(15,300)
Consumables and laboratory expenditure	27,056	26,189	18,609	18,586
Printed materials, books and periodicals	12,761	12,761	11,287	11,287
Printing, stationery and office expenses	2,622	2,331	2,929	2,683
Travel and subsistence	7,813	7,752	1,090	1,063
Fellowships, scholarships and prizes	56,561	56,561	53,471	53,471
Heat, light, water and power	26,808	26,799	12,924	12,767
Rent, rates and insurance	27,300	27,848	25,654	26,014
Grants to Leeds University Union	4,218	4,218	4,338	4,338
Fees and expenses	115,887	116,580	80,050	80,540
Recruitment, training and welfare	4,597	4,600	2,510	2,487
Auditor's remuneration in respect of audit	285	237	175	141
Auditor's remuneration in respect of audit related services	15	15	3	3
Other expenses	2,704	1,220	5,513	4,202
	326,080	324,190	242,812	241,332

Fees and expenses include contracted internal audit fees of £182k (2021: £159k).

Notes to the accounts *continued*

for the year ended 31 July 2022

9 Analysis of total expenditure by activity (continued)

At 31 July 2021, £15.3m of provisions were released relating to the estate buildings, which relates to a building which has now been impaired due to permanent diminution of value. There were no similar movements in the year ended 31 July 2022.

Trustees

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

No expenses were paid to trustees during the current year (2021: £nil).

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Access and participation				
Analysis of total expenditure by activity:				
Access Investment	3,134	3,134	3,067	3,067
Financial Support	12,631	12,631	13,552	13,552
Disability Support	1,549	1,549	220	220
Research and Evaluation	351	351	1,242	1,242
	17,665	17,665	18,081	18,081

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

Access Investment	2,033	2,033	1,942	1,942
Financial support	—	—	—	—
Disability Support (excluding expenditure included in the two categories above)	1,211	1,211	944	944
Research and Evaluation	311	311	207	207
	3,555	3,555	3,093	3,093

Any variance against the OfS agreed plan is as a consequence of either student number variations and/or the move to online delivery as a result of the COVID-19 pandemic and increased financial hardship support.

The access & participation plan (APP) can be found at leeds.ac.uk/downloads/download/93/access_and_participation_plan

Financial support spend includes undergraduate Financial support within the APP plan. In addition, expenditure on Progression relating to postgraduate scholarships has been £0.4m (2021: £0.3m).

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
11 Taxation				
Recognised in the statement of comprehensive income and expenditure				
Current tax				
Overseas corporation tax on profits for the period	142	142	—	—
Adjustment in respect of previous years	(8)	—	—	—
	134	142	—	—
Deferred tax				
Origination and reversal of timing differences	(12)	—	(38)	—
Adjustment in respect of prior period	3	—	—	—
Effects of changes in tax rate	47	—	30	—
	38	—	(8)	—
Total tax charge/(credit) in the year	(172)	142	(8)	—

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 £1.2m (2021: £0.7m) due to losses in the subsidiary entities.

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
12 Intangible assets				
Software				
Opening balance	2,037	2,037	1,947	1,947
Additions in the year	3,696	3,696	394	394
Amortisation charge for the year	(548)	(548)	(304)	(304)
Impairment charge	(297)	(297)	—	—
Closing balance	4,888	4,888	2,037	2,037

The additions during the year to 31 July 2022 relate to the purchase and development of intangible software assets.

	Consolidated					
	Freehold land and buildings £'000	Equipment £'000	Assets under construction £'000	Service concession arrangement land and buildings (Note 15) £'000	Heritage assets (Note 14) £'000	Total £'000
13 Fixed assets						
Cost or valuation						
At 1 August 2021	1,178,123	190,886	102,062	39,217	30,045	1,540,333
Additions	11,640	13,252	7,107	1,240	2,380	35,619
Disposals	—	(7,114)	—	—	—	(7,114)
Transfers	27,899	2,984	(30,883)	—	—	—
At 31 July 2022	1,217,662	200,008	78,286	40,457	32,425	1,568,838
Depreciation						
At 1 August 2021	418,777	130,317	6,264	13,103	—	568,461
Charge for the year	45,605	16,414	—	2,018	—	64,037
Impairment charge	—	—	2,828	—	—	2,828
Disposals	—	(6,563)	—	—	—	(6,563)
At 31 July 2022	464,382	140,168	9,092	15,121	—	628,763
Net book value						
At 31 July 2022	753,280	59,840	69,194	25,336	32,425	940,075
At 1 August 2021	759,346	60,569	95,798	26,114	30,045	971,872

Notes to the accounts *continued*

for the year ended 31 July 2022

13 Fixed assets (continued)						
	University					
	Freehold land and buildings	Equipment	Assets under construction	Service concession arrangement land and buildings (Note 15)	Heritage assets (Note 14)	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2021	1,165,733	185,406	102,062	39,217	30,045	1,522,463
Additions	11,640	13,103	7,107	1,240	2,380	35,470
Disposals	—	(7,114)	—	—	—	(7,114)
Transfers	27,899	2,984	(30,883)	—	—	—
At 31 July 2022	1,205,272	194,379	78,286	40,457	32,425	1,550,819
Depreciation						
At 1 August 2021	413,257	126,158	6,264	13,103	—	558,782
Charge for the year	45,380	16,024	—	2,018	—	63,422
Impairment charge	—	—	2,828	—	—	2,828
Disposals	—	(6,562)	—	—	—	(6,562)
At 31 July 2022	458,637	135,620	9,092	15,121	—	618,470
Net book value						
At 31 July 2022	746,635	58,759	69,194	25,336	32,425	932,349
At 1 August 2021	752,476	59,248	95,798	26,114	30,045	963,681

Included in consolidated freehold land and buildings is land valued at £34.2m (2021: £34.2m) which is not depreciated.

Included in University freehold land and buildings is land valued at £32.9m (2021: £32.9m) which is not depreciated.

Included in consolidated equipment are assets held under finance leases with a net book value of £0.2m (2021: £0.3m). The related depreciation charge for the year was £0.1m (2021: £Nil).

The impairment charge relates to a number of projects where the capitalisation criteria was not met.

Notes to the accounts *continued*

for the year ended 31 July 2022

14 Heritage assets

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

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

Heritage assets are classified into three main categories: special collections, art collections and 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 £56m (2021: £33m). 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			2021/22 Total £'000	2020/21 Total £'000
	Special collections £'000	Art collections £'000	ULITA £'000		
At 1 August	22,628	6,892	525	30,045	29,832
Additions	2,320	60	—	2,380	213
At 31 July	24,948	6,952	525	32,425	30,045

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Purchases					
Special collections	60	—	65	—	72
Art collections	—	213	—	159	—
Donations					
Special collections	2,320	—	—	848	—
Art collections	—	—	35	—	805
Total additions	2,380	213	100	1,007	877

Additions during the year comprise a literary collection and a digital archive.

Notes to the accounts *continued*

for the year ended 31 July 2022

15 Service concession arrangements

Movement in service concession arrangement assets

The asset value of the service concession included in the Balance Sheet as at 31 July 2022 is £25.3m (2021: £26.1m). The reduction of £0.8m is as a result of depreciation £2.0m less additions of £1.2m.

Movement in service concession arrangement liabilities

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2022 were £27.8m (2021: £28.5m). £2.9m was repaid during the year (2021: £2.9m).

	Notes	Consolidated and University	
		2021/22 £'000	2020/21 £'000
At 1 August		28,515	30,071
Additions in the year		1,240	294
Interest charge for the year		998	1,052
Repayments made during the year		(2,946)	(2,902)
At 31 July	22, 23	27,807	28,515

Future commitments

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

	Liability repayments	Finance charge	Total
	£'000	£'000	£'000
Payable not later than 1 year	2,119	974	3,093
Payable later than 1 year and not later than 5 years	7,296	3,235	10,531
Payable later than 5 years	18,392	2,735	21,127
	27,807	6,944	34,751

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 2022/23) recorded within other operating expenses.

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22			2020/21		
	Subsidiary companies	Other fixed asset investments	Total	Subsidiary companies	Other fixed asset investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
16 Non-current investments						
Consolidated						
Cost or valuation at 1 August	—	89,356	89,356	—	78,388	78,388
Additions	—	2,862	2,862	—	2,154	2,154
Disposals	—	(3,556)	(3,556)	—	—	—
Fair value (losses)/gains on listed investment recognised in the CSCI	—	(4,572)	(4,572)	—	8,814	8,814
Cost or valuation at 31 July	—	84,090	84,090	—	89,356	89,356
University						
Cost or valuation at 1 August	7,251	93,650	100,901	8,044	83,038	91,082
Additions	—	2,878	2,878	—	2,004	2,004
Disposals	(2,551)	(3,556)	(6,107)	—	(206)	(206)
Write-down of investment	—	(3,350)	(3,350)	(793)	—	(793)
Fair value (losses)/gains on listed investment recognised in the CSCI	—	(4,574)	(4,574)	—	8,814	8,814
Cost or valuation at 31 July	4,700	85,048	89,748	7,251	93,650	100,901

Included in the University's balance sheet are investments in associates and joint ventures amounting to £1.0m (2021: £4.3m).

During the year, the University disposed of its investment in Leeds Innovation Centre Limited which was dissolved on 2 August 2022.

Notes to the accounts *continued*

for the year ended 31 July 2022

16 Non-current investments (continued)

Listed investments

Name of company	Nature of business
Avacta Group Plc	Provides analytical and diagnostic technology, consumables and reagents to the drug development and healthcare sectors
Cizzle Biotechnology Holdings Plc	Research and experimental development in biotechnology
Getech Group Plc	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%.

In addition to the above investments the University also has a mixed portfolio of listed investments of £78.8m (2021: £85.3m), which is managed to support the endowment funds.

Subsidiary companies

Details of the trading companies, all registered in England (except where stated), in which the University held directly or indirectly more than 50% of the voting rights are as follows:

Name of company	Percentage voting rights	Nature of business
Bright Beginnings Childcare Centre Leeds	100%	Childcare facilities and services
Leeds University Press Ltd	100%	Dormant
Leeds Ventures Ltd	100%	Advisory services for the University's customers in China
Leeds Ventures Malaysia Sdn Bhd	100%	Advisory services for the University's customers in Malaysia
Nexus Leeds Ltd	100%	Business accommodation and facilities management
University of Leeds IP Ltd	100%	Intellectual property management
Weetwood Hall Ltd	100%	Hotel and conference centre

Leeds Ventures Malaysia Sdn Bhd, registered in Malaysia, is a wholly owned subsidiary of Leeds Ventures Ltd. All other subsidiaries are directly owned by the University.

Notes to the accounts *continued*

for the year ended 31 July 2022

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

	2021/22	2020/21
	£'000	£'000
Income and expenditure account		
Income	99	91
Deficit before tax	(11)	(9)
Balance sheet		
Non-current assets	184	195
Current assets	78	73
Total assets	262	268
Creditors: amounts falling due within one year	(56)	(50)
Creditors: amounts falling due after more than one year	—	—
Total creditors	(56)	(50)
Share of net assets	206	218

The investment in Stem Learning has been derecognised, in accordance with Section 15 of FRS 102. This is due to the company recognising liabilities relating to USS, which has resulted in the University's share of its net losses exceeding the investment value.

Notes to the accounts *continued*

for the year ended 31 July 2022

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 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	50.0%	Risk management technology
Acuity Robotics Ltd	50.0%	Software developer for the robotics industry
Adsilico Ltd	49.0%	In silico clinical trials for medical devices
Aronnax Ultrasound Ltd	49.0%	Non-invasive blood glucose sensing
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
Creavo Medical Technologies Ltd	23.1%	Medical magnetometry
Dietary Assessment Ltd	27.8%	Data processing, hosting and related activities
Keracol Ltd	49.8%	Functional, natural, sustainable cosmetics
LC Auxetec Ltd	50.0%	Synthetic auxetic materials enabling resistance to high impact applications
Mimetrik Solutions Ltd	47.0%	Robotics, data analytics and asset inspections
NIQS Tech (Leeds) Ltd	49.0%	Ultrasound imaging for medical applications
Petriva Ltd	49.9%	Software to analyse and visualise petrophysical data for the oil and gas industry
Redbrick Molecular Ltd	50.0%	Provision of chemical building blocks and fragments
SatSense Ltd	32.1%	Provision of near real time satellite data to provide ground deformation information
Slingshot Simulations Ltd	45.7%	Provision of scalable simulation solutions for businesses
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 doesn't have joint control.

Movement in share of net assets in the year	Consolidated	
	2021/22 £'000	2020/21 £'000
Balance at 1 August	546	985
Investment in new associates	11	150
Dilution of shareholding	(6)	(416)
Share of loss in year	(266)	(173)
Balance at 31 July	285	546

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
				Restated
19 Trade and other receivables				
Amounts falling due within one year				
Research grant receivables	30,247	30,247	29,445	29,445
Other trade receivables	23,055	22,729	34,226	33,954
Prepayments and accrued income	37,760	37,476	28,043	27,590
Amounts owed by subsidiary undertakings	—	1,370	—	2,921
Corporation tax	4	—	—	—
	91,066	91,822	91,714	93,910
Amounts falling due after one year				
Amounts owed by subsidiary undertakings	—	6,132	—	4,985

Amounts owed by subsidiary undertakings include trading balances which are non-interest bearing, unsecured and repayable on demand, a concessionary loan repayable in 18 years and a further loan receivable with a market interest rate of 2.0% and repayable over a period of 5 years.

Amounts owed by subsidiary undertakings includes £6.1m which is due after more than one year (2021: £5.0m), which was previously presented within current assets. Prior year balances have been restated to reflect this balance within non-current assets on the balance sheet.

20 Current investments				
Short term deposits	45,000	45,000	40,445	40,445

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 1.2% per annum and the remaining weighted average period for which the interest rate was fixed on these deposits was 134 days. The fair value of these deposits was not materially different to 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.

Notes to the accounts *continued*

for the year ended 31 July 2022

21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, money market funds and treasury deposits with banks with a maturity of three months or less at the year-end.

	2021/22		2020/21	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Cash in bank and in hand	20,994	19,470	15,731	14,306
Money market funds	390,113	390,113	384,188	384,188
Short-term treasury deposits	75,000	75,000	15,000	15,000
	486,107	484,583	414,919	413,494

	2021/22		2020/21	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
22 Creditors: amounts falling due within one year				
Unsecured loans	1,965	1,965	1,965	1,965
Unsecured fixed rate public bond	434	434	1,570	1,570
Service concession arrangements (note 15)	2,119	2,119	1,948	1,948
Trade payables	45,594	45,069	46,997	46,414
Social security and other taxation payable	13,705	13,512	12,583	13,069
Amounts owed to subsidiary undertakings	—	384	—	2,883
Corporation tax	—	—	8	—
Deferred tax liability	118	—	87	—
Accruals and deferred income	237,418	236,551	255,189	254,544
Obligations under finance leases (note 28)	74	—	59	—
	301,427	300,034	320,406	322,393

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

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	117,963	117,963	121,912	121,912
Grant income and donations	21,301	21,301	20,992	20,992
	139,264	139,264	142,904	142,904

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
23 Creditors: amounts falling due after more than one year				
Amounts owed to subsidiary undertakings	—	1,750	—	1,917
Accruals and deferred income	3,237	3,224	4,178	4,149
Obligations under finance leases (note 28)	136	—	176	—
Service concession liabilities due after one year (note 15)	25,688	25,688	26,567	26,567
Unsecured loans	8,775	8,775	10,740	10,740
Unsecured fixed rate public bond	315,388	315,388	314,681	314,681
	353,224	354,825	356,342	358,054

Analysis of unsecured loans:				
Due between one and two years	2,404	2,404	2,260	2,260
Due between two and five years	5,079	5,079	4,730	4,730
Due in five years or more	316,680	316,680	318,431	318,431
Due after more than one year	324,163	324,163	325,421	325,421
Due within one year or on demand (note 22)	2,399	2,399	3,535	3,535
Total unsecured loans	326,562	326,562	328,956	328,956

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 3.125%. 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 2022 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	2,653	25 years to 2025	1.5	University of Leeds
Barclays	7,750	20 years to 2030	2.2	University of Leeds

Notes to the accounts *continued*

for the year ended 31 July 2022

	Consolidated				
	Obligation to fund deficit on USS pension	Defined benefit obligations (Note 32)	Total pensions provisions	Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
24 Provisions for liabilities					
At 1 August 2020	109,895	90,950	200,845	39,379	240,224
Utilised in year	(4,397)	—	(4,397)	(4,798)	(9,195)
Released owing to changes in the recovery plan	(3,776)	—	(3,776)	—	(3,776)
Actuarial gain	—	(16,571)	(16,571)	—	(16,571)
Released as not utilised	—	—	—	(21,784)	(21,784)
Additions	824	10,584	11,408	2,906	14,314
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)
Increased owing to change 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 31 July 2022	277,447	—	277,447	13,156	290,603

Notes to the accounts *continued*

for the year ended 31 July 2022

24 Provisions for liabilities (continued)

	University only				
	Obligation to fund deficit on USS pension	Defined benefit obligations (Note 32)	Total pensions provisions	Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	109,895	90,950	200,845	38,714	239,559
Utilised in year	(4,397)	—	(4,397)	(4,798)	(9,195)
Released owing to changes in recovery plan	(3,776)	—	(3,776)	—	(3,776)
Actuarial gain	—	(16,571)	(16,571)	—	(16,571)
Released as not utilised	—	—	—	(21,784)	(21,784)
Additions	824	10,584	11,408	2,898	14,306
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)
Increased 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	—	—	—	(6,033)	(6,033)
Additions	—	14,614	14,614	6,487	21,101
Transfer to asset	—	62,358	62,358	—	62,358
At 31 July 2022	277,447	—	277,447	12,526	289,973

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

	2022	2021
Discount rate	3.32%	0.88%
Headcount growth duration	0.60%	0.80%

Notes to the accounts *continued*

for the year ended 31 July 2022

24 Provisions for liabilities (continued)

The deficit recovery provision has increased from £102.6m to £277.4m. £179.6m of this increase 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 32. The deficit recovery plan was agreed with key stakeholders in June 2022.

Sensitivity analyses have been included in the accounting policy note on page 94.

25 Endowment reserves

Permanent endowments

	Consolidated and University						
	Unrestricted			Restricted			Total
	Capital	Unapplied return	Total	Capital	Unapplied return	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital	18,414	—	18,414	42,399	—	42,399	60,813
Unapplied return	—	7,435	7,435	—	15,608	15,608	23,043
Balance as at 31 July 2021	18,414	7,435	25,849	42,399	15,608	58,007	83,856
Additions	—	—	—	888	—	888	888
Investment income	—	532	532	—	1,153	1,153	1,685
Indexation	388	—	388	(459)	—	(459)	(71)
Market value losses	—	(1,090)	(1,090)	—	(2,467)	(2,467)	(3,557)
Released to unrestricted reserves	—	(118)	(118)	—	(1,606)	(1,606)	(1,724)
Balance as at 31 July 2022	18,802	6,759	25,561	42,828	12,688	55,516	81,077
Represented by:							
Capital	18,802	—	18,802	42,828	—	42,828	61,630
Unapplied return	—	6,759	6,759	—	12,688	12,688	19,447
	18,802	6,759	25,561	42,828	12,688	55,516	81,077

Notes to the accounts *continued*

for the year ended 31 July 2022

25 Endowment reserves (continued)

Restricted expendable endowments

	£'000
Balance as at 31 July 2021	6,601
Investment income	117
Expenditure	(213)
Market value losses	(136)
Balance as at 31 July 2022	6,369

Endowment analysis by purpose:

	Consolidated and University			2021/22 Total £'000	2020/21 Total £'000
	Restricted	Unrestricted	Restricted		
	permanent £'000	permanent £'000	expendable £'000		
Chairs	9,855	—	31	9,886	10,215
Lectureships	3,927	—	1,187	5,114	5,484
Fellowships	9,755	200	3,053	13,008	13,154
Scholarships	16,907	2,135	531	19,573	21,107
Prizes	5,812	470	84	6,366	7,104
Specific funds	285	20	863	1,168	905
General funds	8,975	22,736	620	32,331	32,488
	55,516	25,561	6,369	87,446	90,457

Analysis by asset:

Non current investments	78,832	85,320
Cash and cash equivalents	8,614	5,137
	87,446	90,457

Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
26 Restricted reserves				
Balances at 1 August	13,776	13,740	17,986	17,950
New restricted grants and donations	8,648	8,648	6,887	6,887
Expenditure	(5,868)	(5,868)	(11,097)	(11,097)
Balances at 31 July	16,556	16,520	13,776	13,740

27 Capital commitments

Provision has not been made for the following capital commitments relating to tangible assets at 31 July:

	2021/22	University	2020/21	University
Commitments contracted for	16,191	16,191	24,967	24,967

Capital commitments at 31 July 2022 principally comprise contracted work in respect of the Sir William Henry Bragg Building (£4m), Bodington sports development (£3m) and integrated workshops (£2m).

28 Lease obligations

Total rentals payable under operating leases:

	Consolidated and University			2020/21 Total £'000
	Buildings £'000	Equipment £'000	2021/22 Total £'000	
Expenditure during the year	22,961	289	23,250	21,342
Future minimum lease payments due:				
Not later than 1 year	18,664	107	18,771	19,709
Later than 1 year and not later than 5 years	43,652	4	43,656	16,191
Later than 5 years	17,340	—	17,340	4,869
Total lease payments due	79,656	111	79,767	40,769

Amounts due under finance leases:

	Consolidated		2020/21 Total £'000
	Equipment £'000	2021/22 Total £'000	
Future minimum lease payments due:			
Not later than 1 year	94	94	82
Later than 1 year and not later than 5 years	149	149	200
Total lease payments due	243	243	282
Less: finance charges allocated to future periods	(33)	(33)	(47)
	210	210	235

Notes to the accounts *continued*

for the year ended 31 July 2022

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.

	2021/22 £'000	2020/21 £'000
Bright Beginnings Childcare Centre Leeds:		
Member's funds at 1 August	447	558
Income	1,426	1,230
Expenditure	(1,421)	(1,341)
Member's funds at 31 July	452	447

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000

30 Consolidated reconciliation of net funds

Net funds 1 August 2021	97,658	96,468		
Movement in cash and cash equivalents	71,188	71,089		
Movement in current investments	4,555	4,555		
Other non-cash movements	3,127	3,102		
Net funds 31 July 2022	176,528	175,214		

Change in net funds	78,870	78,746		
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Analysis of net funds

Cash and cash equivalents (note 21)	486,107	484,583	414,919	413,494
Current investments (note 20)	45,000	45,000	40,445	40,445
	531,107	529,583	455,364	453,939

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

Unsecured loans	(1,965)	(1,965)	(1,965)	(1,965)
Unsecured fixed rate public bond	(434)	(434)	(1,570)	(1,570)
Service concession arrangement liabilities	(2,119)	(2,119)	(1,948)	(1,948)
Obligations under finance leases	(74)	-	(59)	-
	(4,592)	(4,518)	(5,542)	(5,483)

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

Unsecured loans	(8,775)	(8,775)	(10,740)	(10,740)
Unsecured fixed rate public bond	(315,388)	(315,388)	(314,681)	(314,681)
Service concession arrangement liabilities	(25,688)	(25,688)	(26,567)	(26,567)
Obligations under finance leases	(136)	-	(176)	-
	(349,987)	(349,851)	(352,164)	(351,988)

Net funds	176,528	175,214	97,658	96,468
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Notes to the accounts *continued*

for the year ended 31 July 2022

	2021/22		2020/21	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
31 Financial instruments				
Financial assets				
<i>Financial assets at fair value through Statement of Comprehensive Income and Expenditure</i>				
Listed investments	81,294	81,294	86,806	86,806
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	2,796	3,756	2,550	6,844
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Cash and cash equivalents	486,107	484,583	414,919	413,494
Other investments	45,000	45,000	40,445	40,445
Other debtors	68,582	75,753	77,860	85,041
	599,689	605,336	533,224	538,980
Financial liabilities				
<i>Financial liabilities measured at amortised cost</i>				
Unsecured loans	326,562	326,562	328,956	328,956
Service concessions	27,807	27,807	28,515	28,515
Trade creditors	45,594	45,069	49,944	49,361
Other creditors	112,068	111,182	122,155	124,642
	512,031	510,620	529,570	531,474

Financial assets held at fair value through Statement of Comprehensive Income and Expenditure comprise listed investments which are measured at their quoted market price.

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

	Notes	2021/22		2020/21	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial instruments					
Interest income and (expense)					
Total income for financial assets at amortised cost	5	3,374	3,447	2,893	2,951
Total interest expense for financial liabilities at amortised cost	8	(10,112)	(10,078)	(10,222)	(10,202)
		(6,738)	(6,631)	(7,329)	(7,251)
Fair value gains and (losses)					
On financial assets measured at fair value through the Statement of Comprehensive Income		(1,774)	(1,774)	6,942	6,150

Notes to the accounts *continued*

for the year ended 31 July 2022

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 8 members, and the National Health Service (NHS) Pension Scheme which has 172 members, both multi-employer schemes.

Total pension costs for the University and its subsidiary undertakings (excluding USS provision movement)	2021/22	2020/21
	£'000	£'000
USS	43,311	41,995
PAS	21,449	17,310
DC Plan	1,868	1,670
Other pension schemes	1,769	1,718
Total pension cost	68,397	62,693

Notes to the accounts *continued*

for the year ended 31 July 2022

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 which are recognised against the USS pension provision. 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 the percentage was 21.1% until October 2021 (2021: 21.1%), at which point it changed to 21.4% with a further increase to 21.6% from April 2022.

A new deficit recovery plan was put in place as part of the 2020 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 these then increased to 6.2% from April 2022. There will be a further increase to 6.3% from April 2024. 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 £15.7m (2021: £13.1m).

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 £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

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

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

Notes to the accounts *continued*

for the year ended 31 July 2022

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% p.a. 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:

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

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 2022

32 Pension schemes (continued)

Assumptions

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

	At 31 July 2022	At 31 July 2021
	%p.a.	%p.a.
Price Inflation (RPI)	3.00	3.10
Price Inflation (CPI)	2.60	2.65
Rate of increase in salaries	3.60	3.65
Rate of increase of pensions in payment	2.60	2.65
Discount rate	3.40	1.60
Mortality assumption (pre and post retirement)	111% S3PMA_All (males) 103% S3PFA_Mid (females) CMI 2021 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.

	2022	2021
Male Pensioner	26.2	26.2
Male Non-pensioner (currently aged 40 in 2022)	28.0	28.1
Female Pensioner	28.7	28.7
Female Non-pensioner (currently aged 40 in 2022)	30.6	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 2022	Approximate increase/(decrease) to the net defined benefit asset £m
0.5% pa increase in discount rate	44.6
0.5% pa increase in salary inflation	(11.0)
0.5% pa increase in inflation	(48.8)

Notes to the accounts *continued*

for the year ended 31 July 2022

32 Pension schemes (continued)

Scheme assets

The assets in the scheme were:

	Fair value as at	
	31 July 2022	31 July 2021
	£'000	£'000
Equities and other growth assets	370,031	417,784
Property	39,724	34,018
Bonds and cash	152,569	149,560
	562,324	601,362

Analysis of the amount shown in the balance sheet for PAS

Scheme assets	562,324	601,362
Scheme liabilities	(499,966)	(686,325)
Surplus/(deficit) in the scheme – net pension asset/(liability) recorded within pension provisions (Note 24)	62,358	(84,963)
Current service cost	23,784	19,828
Non-investment expenses	623	605
Total operating charge	24,407	20,433
Analysis of the amount charged to interest payable		
Net interest	1,464	1,338
Net charge to interest payable	1,464	1,338
Total charge	25,871	21,771
Analysis of other comprehensive income		
Actuarial gain/(loss) on defined benefit obligation	208,549	(64,511)
Actuarial (loss)/gain on assets	(46,614)	81,082
Amount recognised in other comprehensive income	161,935	16,571

Notes to the accounts *continued*

for the year ended 31 July 2022

32 Pension schemes (continued)		
	2021/22	2020/21
	£'000	£'000
Analysis of movement in surplus/(deficit)		
Deficit at beginning of year	(84,963)	(90,950)
Contributions or benefits paid by the University	11,257	11,187
Current service cost	(23,784)	(19,828)
Non-investment expenses	(623)	(605)
Net interest charge	(1,464)	(1,338)
Gain recognised in other comprehensive income	161,935	16,571
Surplus/(deficit) at end of year	62,358	(84,963)

Analysis of movement in the present value of liabilities		
Present value of liabilities at the start of the year	686,325	605,822
Current service cost (net of member contributions)	23,784	19,828
Actual member contributions	238	241
Interest cost	11,070	8,534
Actuarial (gain)/loss	(208,549)	64,511
Actual benefit payments	(12,902)	(12,611)
Present value of liabilities at the end of the year	499,966	686,325

Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	601,362	514,872
Interest income on assets	9,606	7,196
Non-investment expenses	(623)	(605)
Actuarial (loss)/gain on assets	(46,614)	81,082
Actual contributions paid by University	11,257	11,187
Actual member contributions	238	241
Actual benefit payments	(12,902)	(12,611)
Fair value of scheme assets at the end of the year	562,324	601,362

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

Actual return on Scheme assets		
Interest income on assets	9,606	7,196
Asset (loss)/ gain	(46,614)	81,082
	(37,008)	88,278

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 1,484 contributing members at 31 July 2022 (2021: 1,205). 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 2022

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 inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the Institution's financial regulations and normal procurement procedures. The Institution 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 an interest, 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	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Academy of Medical Sciences ⁵	—	—	—	16	—	—	—	—
British Heart Foundation ^{4,5}	3,859	4,119	—	—	1,039	1,061	—	—
CBI ¹⁷	—	—	15	—	—	—	—	—
Chartered Association for Business Schools Race Equality Action Group ¹⁵	348	—	—	—	156	—	—	—
Clothworkers Company ¹⁸	1,196	—	—	—	—	—	—	—
Co-Op Group ¹⁴	—	—	8	7	—	—	—	1
Diabetes UK ⁴	463	227	—	—	62	107	—	—
Glass Futures Ltd ¹⁶	9	58	—	—	—	5	—	—
Leeds Community Healthcare NHS Trust ⁷	—	117	—	46	—	4	—	7
Leeds International Pianoforte Competition ^{1,9}	75	2	203	300	—	—	—	—
Leeds Hospitals Charity ¹⁷	332	—	—	—	83	—	—	—
Leeds Teaching Hospitals NHS Trust ^{5,17}	—	16,606	—	5,850	—	1,672	—	312
Leeds Trinity University ⁹	33	36	37	39	12	15	—	6
Leeds University Union ¹²	879	698	723	686	60	13	14	81
London School of Economics ²¹	63	—	10	—	—	—	15	—
Lowell Group ¹³	—	15	—	—	—	—	—	—
Medical Research Council ^{4,5}	909	—	8	103	—	—	—	—
Medical Schools Council ⁵	—	—	—	14	—	—	—	—
N8 Ltd ¹	—	—	60	60	—	—	—	—
NCUK ⁸	—	—	—	397	—	—	—	—
NHS England ¹⁷	398	—	—	—	78	—	—	—
Northern Health Science Alliance ⁵	—	—	—	18	—	—	—	—

Notes to the accounts *continued*

for the year ended 31 July 2022

33 Related parties (continued)								
Related party	Income		Expenditure		Balance due to the University		Balance payable by the University	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Novartis ⁵	—	120	—	—	—	—	—	—
Opera North ⁹	3	6	112	96	—	—	1	—
Rosalind Franklin Institute ³	124	43	—	—	—	—	—	—
Russell Group of Universities ¹	—	—	83	80	—	—	—	—
Southern Universities Management Services ⁶	—	—	121	45	—	—	6	6
Taylor & Francis ²	—	4	12	5	—	—	—	—
UCU ^{11,20}	44	63	—	—	—	—	—	—
UKCRC ⁵	—	166	—	—	—	48	—	—
UKRI ¹⁷	144,168	115,544	—	4	—	31	—	—
Universities UK ^{1,5}	—	—	78	77	—	—	—	—
Worldwide Universities Network ¹	49	47	51	43	40	39	—	—
Yorkshire Cancer Research ¹⁷	4,105	3,246	124	29	678	563	—	—
Yorkshire Leadership Community ¹⁹	5	—	—	—	—	—	—	—
Yorkshire Universities ¹	3	2	30	33	—	—	—	—
Yorkshire Water ¹⁰	174	108	293	295	52	14	2	—

Notes to the accounts *continued*

for the year ended 31 July 2022

33 Related parties (continued)

- 1 Simone Buitendijk, Vice Chancellor, 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. She is also a trustee of Leeds International Pianoforte Competition.
- 2 Professor Nick Plant, Deputy Vice-Chancellor Research & Innovation, is an Associate Editor at Taylor & Francis.
- 3 Prof Nora De Leeuw, Executive Dean, Faculty of Engineering and Physical Sciences, is a board member of the Rosalind Franklin Institute.
- 4 Professor Mark Kearney, Executive Dean, Faculty of Medicine & Health is on the research committee of Diabetes UK, fellowship committees of the British Heart Foundation and is a member of the Medical Research Council - Experimental Medicine Panel and Infrastructure and Capital Strategic Advisory Group.
- 5 Paul Stewart, previously Executive Dean of the Faculty of Medicine and Health (retired from UEG 10 March 2021), was a non-executive director of the Leeds Teaching Hospitals NHS Trust, Chair of the Chairs & Programme Grants Committee of the British Heart Foundation, a member of Council and the Executive for the Medical Schools Council and a Director of the Northern Health Science Alliance and a member of the Medical Research Council, UKCRC, Novartis, Academy of Medical Science & Universities UK in the prior financial year.
- 6 Dennis Hopper, Interim Chief Operating Officer, is a director of Southern Universities Management Services.
- 7 Jane Madeley, the Chief Financial Officer, is an independent member of the Audit, Risk and Performance Committee of United Kingdom Research and Innovation (UKRI), an organisation which brings together the 7 Research Councils (of which EPSRC is one). She is also Chair of the Regional CBI Council. Until March 21, she was a non-executive director and Chair of the Audit Committee for Leeds Community Healthcare NHS Trust.
- 8 Martin Holmes, Marketing Director (retired from UEG March 21), held a directorship of NCUK Ltd in the previous financial year.
- 9 Ed Anderson, a member of Council and Chair of the Audit & Risk Committee, is Pro-Chancellor (ceremonial) at Leeds Trinity University. He is also a director of Opera North and a trustee of Leeds International Pianoforte Competition.
- 10 Liz Barber, a member of Council, holds directorships at Yorkshire Water.
- 11 Vicky Blake, a member of Council, President of UCU until 31 December 21.
- 12 Two Members of Council are officers of Leeds University Union (LUU): Megan Hodgkinson served until 30 June 22 before being succeeded by Bethan Corner. Aysha Burton served until 30 June 22 before being succeeded by Maria Papageogiou.
- 13 Tom Clark a member of Council is the Chief Architect and Chief Technology Officer for the Lowell Group. There were no transactions or balances in the current financial year for the Lowell group.
- 14 Helen Grantham, a member of Council, received remuneration as Group Secretary and General Counsel from Co-operative Legal Services Ltd part of the Co-Op Group in 21-22.
- 15 Dr Kendi Guantai, a member of Council, is the Vice Chair of the Chartered Association for Business Schools Race Equality Action Group.
- 16 Professor Peter Jimack, a member of Council, is a director of Glass Futures Ltd.
- 17 Yvette Oade, a member of Council, is the Regional Medical Director at NHS England and Clinical Lead COVID-19 Vaccination Programme at NHS England and Improvement. She is also a trustee of Yorkshire Cancer Research and Leeds Hospitals Charity. In the previous financial year she was Chief Medical Officer at Leeds Teaching Hospitals NHS Trust.
- 18 Dr Cordelia Rogerson, a member of Council, is a member of Court for the Clothworkers Company.
- 19 Mrs Janet Sheriff, a member of Council is the Steering Group Chair of the Yorkshire Leadership Community.
- 20 Dr Mark Taylor-Batty, a member of council (until 31 Dec 21), sits on the committee of UCU.
- 21 Alastair Da Costa, Chair and Pro-Chancellor from 1 August 2022, joined Council in May 2022, has a Directorship with the London School of Economics.

Notes to the accounts *continued*

for the year ended 31 July 2022

34 Financial responsibility supplemental schedule for the U.S. 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 Income and Expenditure.

Description - supplemental schedule	Description - UK GAAP accounts	Notes	2021/22 £'000	2020/21 £'000
Primary reserve ratio				
Expendable net assets				
Net assets without donor restrictions	Income and expenditure reserve - unrestricted *	Balance sheet	665,911	627,967
Net assets without donor restrictions	Endowment reserves - unrestricted permanent endowments *	25	25,561	25,849
Net assets with donor restrictions	Endowment reserves - restricted expendable endowments **	25	6,369	6,601
Net assets with donor restrictions	Endowment reserves - restricted permanent endowments **	25	55,516	58,007
Net assets with donor restrictions	Income and expenditure reserve - restricted reserve **	Balance sheet	16,556	13,776
Pre-implementation property, plant and equipment	Fixed assets consolidated net book value 1 August 2019 less depreciation and disposals, excluding service concessions	13	(589,302)	(651,872)
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	(69,194)	(95,798)
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	(211,317)	(153,162)
Lease right-of-use assets – pre-implementation	Service concession arrangements at 1 August 2019 less subsequent depreciation and disposals	13	(23,254)	(25,272)
Lease right-of-use assets – post-implementation	Service concession arrangements - additions since 1 August 2019	13	(2,082)	(842)
Intangible assets	Software	12	(4,888)	(2,037)
Post-employment and pension liability	Pension provisions	24	215,089	187,509

Notes to the accounts *continued*

for the year ended 31 July 2022

34 Financial responsibility supplemental schedule for the U.S. Department of Education (continued)

Description - supplemental schedule	Description - UK GAAP accounts	Notes	2021/22 £'000	2020/21 £'000
Expendable net assets continued				
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	13	25,725	27,673
Lease right-of-use liability – post-implementation	Service concession liabilities movement since 1 August 2019	13	2,082	842
Annuities	Endowment reserves – restricted expendable endowments	25	(6,369)	(6,601)
Restricted in perpetuity	Endowment reserves – restricted permanent endowments	25	(55,516)	(58,007)
Total expendable net assets			255,961	159,707

Expenses and losses without donor restrictions

Total operating expenses and other deductions	Total expenditure	CSCI	1,048,952	764,781
Total operating expenses and other deductions	Restricted expendable endowments – expenditure	25	(213)	(282)
Total operating expenses and other deductions	Restricted reserves – expenditure	26	(5,868)	(11,097)
Pension related changes other than net periodic costs	Obligation to fund deficit on USS pension: increased due to changes in recovery plan	24	(179,569)	3,776
Other gains/(losses)	Share of operating (surpluses) /deficits in joint ventures	CSCI	(30)	14
Other gains/(losses)	Share of operating deficits in associates	CSCI	276	83
Net assets restricted	Restricted expendable endowments – reclassified from permanent unrestricted	25	—	1,126
Other gains/(losses)	Taxation charge	CSCI	(172)	—
Total expenses and losses without donor restrictions			863,376	758,401

Notes to the accounts *continued*

for the year ended 31 July 2022

34 Financial responsibility supplemental schedule for the U.S. Department of Education (continued)				
Description - supplemental schedule	Description - UK GAAP accounts	Notes	2021/22 £'000	2020/21 £'000
Equity ratio				
Modified net assets				
Net assets without donor restrictions	Items in expendable net assets above marked *		691,472	653,816
Net assets with donor restrictions	Items in expendable net assets above marked **		78,441	78,384
Intangible assets	Software	12	(4,888)	(2,037)
Total modified net assets			765,025	730,163
Modified assets				
Total assets	Non-current assets	Balance sheet	1,091,902	1,064,029
Total assets	Current assets	Balance sheet	623,265	548,131
Lease right-of-use asset pre-implementation	Service concession liabilities at 1 August 2019; less movements since 1 August 2019	13	(23,254)	(25,272)
Lease right-of-use liability – pre-implementation	Service concession liabilities at 1 August 2019; less movements since 1 August 2019	13	25,725	27,673
Intangible assets	Software	12	(4,888)	(2,037)
Total modified assets			1,712,750	1,612,524
Net income ratio				
Changes in net assets without donor restrictions	Unrestricted comprehensive income for the year	CSCI	37,944	12,152
Changes in net assets without donor restrictions	Movement in unrestricted permanent endowments	25	(288)	1,378
			37,656	13,530

Notes to the accounts *continued*

for the year ended 31 July 2022

34 Financial responsibility supplemental schedule for the U.S. Department of Education (continued)				
Description - supplemental schedule	Description - UK GAAP accounts	Notes	2021/22 £'000	2020/21 £'000
Revenues and gains without donor restrictions				
Total revenue	Total Income	CSCI	929,535	754,093
Revenue with donor restrictions	New restricted grants and donations	26	(8,648)	(6,887)
Revenue with donor restrictions	Restricted endowment investment income	25	(1,153)	(1,736)
Sale of fixed assets, gains/(losses)	Realised gain/(loss) on disposal of non-current assets	CSCI	(2,613)	3,520
Other gains/(losses)	Taxation credit	CSCI	—	8
Net assets released from restriction	Released to unrestricted reserves from permanent endowments (restricted)	25	1,606	1,386
Total revenue and gains without donor restrictions			918,727	750,384

* Items total to net assets without donor restrictions

** Items total to net assets with donor restrictions



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