

**LEEDS TRINITY UNIVERSITY**

**Annual Report and Financial Statements**

**For the year ended**

**31 July 2023**

**Registered Company Number  
06305220**

ANNUAL REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 July 2023

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DIRECTORS AND ADVISORS

**Directors and Governing Body Members serving during the year and up to the date of approval of the annual report and financial statements were:**

Dr Jason Aldiss (Senior Independent Governor and Chair of Remuneration Committee, resigned 14 December 2022)

Mr Lawrence Bentley (appointed 1 February 2023)

Mr Mark Brockbank (retired 31 July 2023)

Prof Charles Egbu (Vice-Chancellor)

Mr Michael Feeley (resigned 7 November 2022)

Ms Thelma Ford Escobar

Fr Paul Grogan (appointed 18 May 2023)

Mr Jamie Hanley (Board Chair)

Ms Susan Hogston (appointed 1 August 2023)

Mr Martin Holden (Chair of Audit Committee)

Ms Kelsey Howard-Matthews

Mr Denis Kobzev

Mr Roland Maposa

Mr Bill McCarthy (Board Vice Chair and Chair of Academic Assurance and Student Experience Committee, both to 31 December 2022)

Ms Sophia Milnes

Ms Ceri Nursaw (Chair of Academic Assurance and Student Experience Committee from 17 March 2023)

Mr Kevin O'Connor (appointed 1 February 2023, Board Vice Chair from 5 July 2023)

Mr David Oldroyd (appointed 1 August 2023)

Ms Emily Reed (Chair of Governance and Nominations Committee, Senior Independent Governor from 5 July 2023)

Ms Susan Rix

Mr Vijay Sharma (appointed 1 February 2023, Chair of Remuneration Committee from 1 August 2023)

Ms Tara Smith (Chair of Finance and Resources Committee)

Mr Paul Southern (resigned 17 January 2023)

Rt Reverend Marcus Stock

Ms Amy Wilson

**Clerk to the Board and Company Secretary**

Mr Craig Williams

**Chancellor**

Mr John Studzinski

**Pro Chancellors**

Mr Ed Anderson

Rt Hon John Battle

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**Company and Charity Numbers**

Registered Company Number      06305220  
Registered Charity Number        1120102

## INTRODUCTION, STRUCTURE AND NATURE OF THE UNIVERSITY

### **Introduction**

The Governors present their annual report, including the Strategic Report and the Directors' Report, and the audited financial statements for the year ended 31 July 2023. The financial statements comprise the results for the year for the University.

The Strategic Report has been prepared for the purpose of providing additional information to funders, financial supporters and other stakeholders to assess the University's strategies and the potential for those strategies to succeed and is not intended for use for any other purpose. The Strategic Report contains forward looking statements. These statements are based on the information available to the Governors up to the time of their approval of this report.

The University is both a company limited by guarantee and a registered charity. Each Governor is both a director of the Company and a trustee of the Charity. The Governors deem the principal activity of the University, in both the current and prior year, to be the advancement of education.

### **Nature of the University**

Leeds Trinity University ("Leeds Trinity" or the "University") is an autonomous, teaching-led and research-informed higher education institution, inspired by Catholic values and based in Horsforth, Leeds.

The origins of Leeds Trinity can be traced back to two Catholic teacher training colleges, Trinity College and All Saints College, founded by the Cross and Passion Sisters and the Catholic Education Service in 1966. Their mission was to provide the best educational opportunities possible for the children of the poor and to actively support social justice – aspirations that Leeds Trinity still maintains.

Over the last half century, the institution has evolved and developed culminating in the award of university title in December 2012, but its Catholic faith foundation remains central to its activities and is enshrined within its legal objects which 'shall be the establishment, conduct and development of a Roman Catholic institution for the advancement of education for the benefit of the public'.

The University's origins and faith foundation continue to be reflected in its Mission, Vision and Values.

#### Our Mission

Leeds Trinity's mission is rooted in its Catholic foundation. We are a diverse and inclusive University welcoming students from all backgrounds and beliefs which exists to provide a transformational educational experience, forming students and learners whose lives will flourish and find wholeness in their work and world. Focused on the innate dignity and value of each person, we seek to provide our students with a distinctively supportive academic and professional community, empowering them to discover their unique gifts and talents, and so fulfil their personal and professional potential. Our leadership and governance are committed to promoting social solidarity and the common good through our commitment to social justice, enhancing opportunities, collaboration, and adding value to the lives of our students, staff, and University community.

#### Our Vision

We will be a leading career-led and applied university. Our students will achieve outstanding outcomes. Our well-rounded learners and graduates will be sought by employers. They will shape a rapidly changing world.

#### Our Values

Rooted in our Catholic heritage, our core values define us as a University, and we seek to uphold them in all that we do – Dignity and Care; Solidarity and Service; Honesty and Integrity; Respect and Inclusivity; Knowledge and Excellence.

## Strategic Plan 2021-26

The University's current five year Strategic Plan was approved in July 2021. Our hallmark will be as an enterprising anchor institution where social justice is at the core of who we are and what we learn. We commit to equality, diversity, and inclusion in all we do. We will create new ways of linking to our City Region. Partnering will help our students to thrive through work, volunteering and learning insights.

On our Horsforth campus, or through our partner colleges in the UK and around the world, we will develop rounded learners. Our learners will leave with skills passports to take into the many careers and quests they pursue. They will be ready and prepared for lifelong learning. They will contribute to a Leeds City Region which is creative, fun and caring. We will grow and sustain our Leeds campus base and also expand student numbers through our partnerships. We expect to grow our international links and make these part of our students' learning journeys.

We will make our Strategic Plan work through four thematic pillars. Each will have an action plan linked to the University's enabling strategies and a set of key performance indicators to monitor progress. Each pillar has a clear role to play in achieving our Vision by 2026:

### Education & Experience

- Leeds Trinity's student experience will be unrivalled in the higher education sector. Our students will engage in depth with their learning. Our approaches will stimulate curiosity and inquiry. Students who join us will always feel part of an extraordinary community. They will be more than a number. They will flourish as individuals and in cross-disciplinary teams. They will partner with us to co-create the curriculum. They will challenge us to innovate in our teaching and learning.

### People & Sustainability

- We care about our people. We know that professional development helps people to feel fulfilled. Personal growth increases health and wellbeing. This leads to better outcomes for our learners. It creates a caring community. Our care for the environment means that our campus will be greener. The learning environments we offer, including through our partners, will put human connections first. This will happen through digital channels and through physical spaces. We will achieve all of this through being financially stable.

### Research, Impact & Innovation

- We will advance knowledge to help people and society. Our social partners will challenge us to innovate and make an impact. We will enable our students to contribute to society through their own applied research, and our work will enrich our teaching. Our practice and our research will cross disciplinary boundaries as we collaborate. We will innovate as we grow our commercial partnerships. We will inform public debate, engaging and helping communities to make sense of the changing world around us.

### Careers & Enterprise

- From a career-led university, our students will be sought by employers and society. Our graduates and staff will shine through skills that mark them out as both local and global citizens. They will be effective as social and cultural entrepreneurs as they build their careers.

Underpinning and supporting these four thematic pillars are two cross cutting themes:

### Digital Futures

- Through all four of our strategic pillars, our use of digital technology will enable a cultural transformation of the way we work, study, and connect within the University and with our external stakeholders.

### Leeds City Region

- We will engage with our partners and build our profile in the Leeds City Region. This will bring opportunities for our learners. It will also increase our influence and impact as an anchor institution.

## **Operating Environment**

The wider economic environment continued to make itself felt during the year in several aspects. Firstly, the University continued to feel the effect of a challenging staff recruitment outlook caused by the prevailing tight labour market, with a reduced labour supply from people exiting the labour market and an awareness of those remaining of their increased bargaining power. Secondly, impacts continued to be felt from increasing inflation rates and supply chain shortages, especially around building & construction materials and so particularly affecting capital projects. High levels of price increases and the consequent cost of living crisis impacted both staff and students, with the University diverting additional resources to partly mitigate the impacts of both of these.

The wider higher education landscape continues to be a challenging one, with teaching income tied to student numbers in a competitive recruitment market; continued uncertainty as to the longer term future of the current fee and funding regime where the £9,250 fee is now worth around £6,000 in real terms after adjusting for inflation; an emergence of government questioning of the principle of continued increases in participation in higher education; and the impact of the regulatory regime led by the Office for Students (OfS) as it responds to various government priorities, in particular the introduction of the 'B3' outcome metrics.

Leeds Trinity is very reliant on student related income and has recently been seeking greater diversification of income streams through development of additional student provision to reduce its dependency on its traditional on-campus undergraduate market. These include the development of degree apprenticeships, where the market has been stimulated by the government's apprenticeship agenda, and the further development of partnerships and collaborations.

The potential risks from the operating environment to both short term liquidity and longer term financial sustainability have been considered in the going concern assessment which is discussed in the Going Concern section of the Strategic Report.

## **Principal Risks and Uncertainties**

The major strategic and financial risk areas facing the University (which group together several linked risks) and its response to those risks are:

### **Student Recruitment, Experience, Progression and Employability:**

As a teaching focussed University which derives the majority of its income from tuition fees, the ability to recruit and retain planned student numbers in an increasingly competitive market is fundamental to the University's success. The University's ability to provide an excellent student experience and enable students to succeed is central to its reputation and the risks of failure in these areas is that the University becomes less attractive in the student recruitment marketplace.

The University is managing these risks by ensuring the continued attractiveness of its portfolio through regular planning and review, including extension into new areas of identified market opportunity; by continuing and evolving the marketing approach of recent years; by the introduction of a personalised applicant approach to utilise the University's strengths and provide distinctiveness in the market; and through embedded student engagement, provision of integrated support for students, an enhanced focus on improvements in retention and progression, and strong employer engagement including placements on every undergraduate programme.

### **Financial Sustainability, Policy Environment and Partnerships:**

Failure to adequately address the changeable environment brought about by the risks and uncertainties around student recruitment, together with uncertain political environment around fees & funding, government policy direction with regards to teacher education, increasing pressures from pension costs and the current inflation and energy costs environment, would mean the ability to respond to changes is restricted and financial sustainability is threatened.

The University is managing these risks by careful management of the cost base to ensure value for money and to retain flexibility; by a financial strategy prioritising levels of liquidity which would enable downturns to be managed; by strategic investment into new facilities and subject areas to drive growth in undergraduate numbers, including opening

## STRATEGIC REPORT

a new campus in Leeds city centre; by diversification into recently developed income streams such as degree apprenticeship and partnerships; by a keen awareness of the additional risks of partnerships working and the need for a robust approach to monitor quality; and by robust scenario planning and consideration of available options.

### Other significant risks:

Other significant risks which do not fall within the grouped risk areas above are those around IT infrastructure & information security (particularly the higher level of cyber attacks in recent years) and those around staff & student mental wellbeing (where existing risks were heightened during the pandemic from prolonged periods of home working & remote study and are likely to be further impacted by the cost of living crisis).

The strategic investment into new facilities and subject areas to support the University's growth ambitions faces risks around costs, resourcing & timescales and these risks are being mitigated by a strong programme management and governance approach.

## Significant Events and Performance in the Year

Following Board approval in 21-22 of several business cases to support the University's strategic growth ambitions, implementation of these has been underway during the year. These included entry into new areas of provision in Health & Life Sciences, including Nursing where regulatory approval was obtained during the year ahead of a first cohort starting in January 2024; and plans to establish a presence in Leeds city centre in addition to the existing Horsforth campus, where the University entered into an Agreement to Lease for a 50,000 square foot city centre premises during the year with £15m of associated capital investment ahead of a planned opening in September 2024.

Performance in the year is discussed under the various headings below and in the Financial Sustainability section.

### Student Experience:

The attractiveness of Leeds Trinity to potential students is enhanced by its reputation for high quality learning and teaching, which is the product of a commitment to providing personalised, one-to-one support for students. This is reflected in traditionally high levels of student satisfaction. The most recent outcomes from the National Student Survey (NSS) placed the University 5<sup>th</sup> nationally for assessment & feedback, and also in the top 15 nationally for learning opportunities and student voice. The University also ranked 18<sup>th</sup> nationally for student experience in the latest Good University Guide.

### Student Recruitment:

Following a fall in undergraduate recruitment in September 2021, driven by two pandemic related factors (firstly the campus nature of the University meant that not being able to get applicants to campus impacted Leeds Trinity adversely relative to the sector and secondly anticipated A-Level grade inflation from a second year of teacher assessment lead to widespread trading up to higher tariff behaviour by applicants), the cycle to September 2022 saw a part recovery with a small increase in enrolments. The cycle to September 2023 saw a further uplift with enrolments now back above the 2021 position.

### Learning and Teaching:

Attainment continues to be strong and when combined with an entry tariff profile that reflects the University's commitment to widening participation, this reflects the University's success in enabling students to achieve their potential. The University ranked 24<sup>th</sup> nationally for teaching quality in the latest Good University Guide and retained its Silver rating in the 2023 Teaching Excellence Framework (TEF) outcomes.

### Student Employability:

Leeds Trinity has also long been attractive for its employability record and figures from the Higher Education Statistics Agency (HESA) for the Graduate Outcomes (GO) Survey continue to show high levels of overall employment or further study. The latest release of figures, for 2020-21 graduates and surveyed 15 months after graduation in September – November 2022, showed 94.8% of graduates in employment or further study. The outcome for graduates in highly skilled employment or further study showed a 9% increase to 74.1% and although this is still 3% below the sector average the gap is down from 9% below last year.

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## Apprenticeships and Partnerships:

The University sees the government's policy push for more apprenticeships as an opportunity for those institutions which can respond quickly and is bringing its traditionally strong employer links to bear in this area. Over recent years, contracts secured with both public and private sector employers have seen numbers increase significantly each year since. The 2022/23 year was the third full year (so seeing cohorts across all three levels) of the University's significant partnership with West Yorkshire Police as policing moves towards being a graduate entry profession, with delivery of the Police Constable Degree Apprenticeship for non-graduates and the Degree Holder Entry Programme for those already holding a non-policing degree. The year was also the second year of the University's partnership with the Unlocked leadership programme for new prison officers, which further expands the University's growing reputation in the criminal justice area. The success of both of these enabled the University to be awarded extensions to both contracts during the year.

The University has made significant progress in developing partnerships that help it reach its aim of providing wider access to higher education. Partnerships with four UK private providers were in their fourth year in 2022/23 with student numbers across the four partners growing to over 9,000, with new partnerships with additional providers approved to commence in 2023/24. The recruitment markets of all the partners have a significant element of ethnic communities that traditional higher education providers find difficult to access.

## Research:

Following the successful outcomes from the 2021 Research Excellence Framework (REF), with 84% of publications being assessed as of international quality (2\*plus) and 11% as world leading (4\*), the University continued to improve in terms of research funding, research outputs and PhD completions, to demonstrate the progress being made by the University towards its aim of securing research degree awarding powers (RDAP).

**Financial Overview**

Financial performance for the year ended 31 July 2023, together with the corresponding figures for the previous year, is summarised in the financial highlights shown below.

		<b>2023</b>	<b>2022</b>
		£'000	£'000
Tuition fees		53,319	47,637
Other Income		10,911	6,922
<b>Total Income</b>		<b>64,230</b>	<b>54,559</b>
Staff costs	*	35,574	27,241
Other costs	*	22,821	16,897
<b>Total Expenditure</b>	*	<b>58,395</b>	<b>44,138</b>
<b>Operating surplus before pension actuarial adjustments</b>		<b>5,835</b>	<b>10,421</b>
Pension actuarial adjustments:			
- Current service costs in excess of contributions		1,218	3,351
- Net interest on pension liabilities		182	495
<b>Surplus for the year as per the Statement of Comprehensive Income &amp; Expenditure</b>		<b>4,435</b>	<b>6,575</b>

\* excluding pension actuarial adjustments



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<b>Cash generation and liquidity:</b>	<b>2023</b>	<b>2022</b>
	£'000	£'000
<b>EBITDA for the year</b>	<b>9,441</b>	<b>13,638</b>
<b>Operating cash flow</b>	<b>6,911</b>	<b>15,417</b>
Cash and short term investments	37,173	39,124
Borrowings	(7,847)	(8,518)
<b>Net funds</b>	<b>29,326</b>	<b>30,606</b>

Total income increased by 17.7% and total expenditure (excluding pension actuarial adjustments) increased by 32.3%, leading to an operating surplus before pension actuarial adjustments of £5.8m, a reduction of £4.6m from prior year. Tuition fee income rose by 11.9% and now represents 83.0% of income (87.3% in 2022). However, within that the University's strategy to diversify its income streams away from a reliance on its traditional on-campus undergraduate provision is continuing to be successful with partnerships and degree apprenticeships now accounting for 48.5% of tuition fee income and 40.2% of all income (up from 37.4% and 32.7% respectively).

Within the operating cost base, staff costs were up 23.4% driven by a 19.4% increase in average staff numbers in order to deliver on strategic plan ambitions, within which there was shift in the mix towards more academic staff (up 23.0%) who have a higher cost on average than non-academic staff. Other costs increased by 35.0%, as a result of increased costs of delivery associated with growth and support for cost of living pressures and hardship.

The pension actuarial adjustments were £1.4m reducing an operating surplus of £5.8m down to a £4.4m surplus as per the Statement of Comprehensive Income & Expenditure. The current service cost in excess of contributions adjustment reduced from £3.4m to £1.2m

The annual actuarial adjustments bear no relation to the actual cost of pension commitments made in the year. Accounting standards mandate that the current service cost is calculated using the prevailing (and currently much lower) corporate bond rate for investment returns rather than the long term investment return assumptions which the fund actuary uses for the scheme valuation and the setting of employer contributions (which were 3.95% as per the 2019 valuation which produced a fully funded position for the University). The rate used for the annual actuarial adjustments has moved from 1.7% in 2021 to 3.4% in 2022 and 5.0% in 2023. The result has seen an increase of the fair value of the scheme assets and a decrease in the defined benefit obligation. The result is a surplus in the scheme of £5.7m albeit one that in line with accounting guidance has not been recognised. This means that the only liability shown on the balance sheet is that relating to the unfunded element of the pension scheme (£39k).

There was a £2m reduction in cash and short term investment balances, which together with borrowing repayments led to a decrease in net funds of £1.3m. Net assets increased by £12.5m due to an increase in fixed assets £5m and trade and other receivables £1.2m and a reduction in the defined benefit pension liability of £6.3m

### Financial Sustainability

The three main financial indicators are shown below with performance for the year, prior year and target. The indicators have targets generated internally in the financial strategy as appropriate for future financial sustainability and which may vary from year to year.

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	Target 22/23	Actual 22/23	Actual 21/22
EBITDA	£13.0m	£9.4m	£13.6m
Operating Surplus (exc pension actuarial adjustments)	£8.6m	£5.8m	£10.4m
Staff costs as a % of income (exc pension actuarial adjustments)	51.1%	55.0%	49.9%

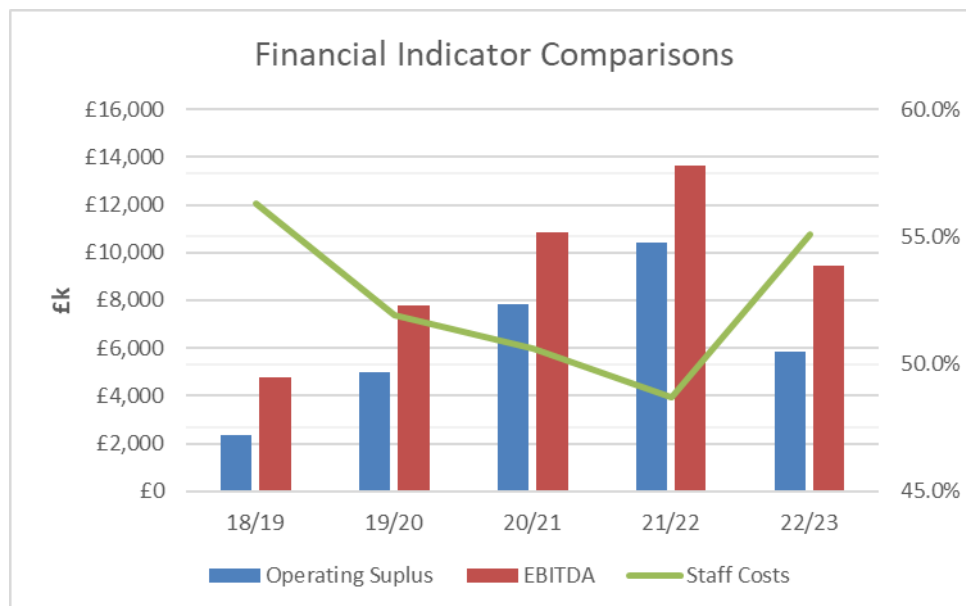
Earnings before Interest Tax Depreciation and Amortisation (EBITDA) is included as a proxy for cash generation. The targets are derived from the strategic plans of the University, the investment associated with this and the cash generation required to fund it.

Operating surplus excluding pension actuarial adjustments has a relatively close relationship to EBITDA but measures the same performance in a perhaps easier to understand concept. It is also the key loan covenant in terms of headroom and the target provides a comfortable level of headroom.

In both cases the EBITDA and the operating surplus showed a reduction due to increased staff costs representing recruitment ahead of profile and non pay pressures resulting from support for cost of living and hardship support.

Staff costs as a % of income is a key indicator (excluding pension adjustments as with the operating surplus measure) reflecting the importance of staff costs to the University's financial health given that as a people business staff costs necessarily form by far the most significant part of the cost base. The target for this was 51.1% with an outturn percentage of 55.1% reflecting significant in year recruitment.

The graph below shows performance against the new indicators over the last few years. The operating surplus and staff cost % shown exclude exceptional restructuring costs as well as pension adjustments in order to facilitate comparison of underlying performance.



Left hand scale – Operating Surplus and EBITDA

Right hand scale – Staff Costs excluding pension adjustments and restructuring as % of income.

## **Plans for Future Periods**

The outlook over the next few years will remain a challenging one as outlined in the Operating Environment and Principal Risks & Uncertainties sections. The strategic plan for the period 2021-26 sets out how Leeds Trinity will distinguish itself in the market. The Governors believe Leeds Trinity's distinctiveness will enable it to continue to be able to compete successfully and to thrive. Our hallmark will be as an enterprising anchor institution where social justice is at the core of who we are and what we learn. We will create new ways of linking to our City Region. Partnering will help our students to thrive through work, volunteering and learning insights.

Undergraduate recruitment will continue to be central to the success of the University. A period of demographic growth will follow for the rest of the decade and the University will aim to further take advantage of this period of opportunity by looking to expand its portfolio into new subject areas and expand its footprint via the new city centre campus. Recruitment to Health & Life Sciences courses will commence from 2023 entry with a first Nursing cohort in January 2024, with these subject areas planned to grow over the next few years. Plans to establish a presence in Leeds city centre in addition to our existing Horsforth campus have seen an agreement to lease taken on a city centre site during the year, to be followed by the fit out of the building during 23-24 ahead of a September 2024 opening.

On our Horsforth campus, or through our partner colleges in the UK and around the world, we will develop rounded learners. Our learners will leave with skills passports to take into the many careers and quests they pursue. We will grow and sustain our Leeds campus base and also expand student numbers through our partnerships. We expect to grow our international links and make these part of our students' learning journeys.

Through all four of our new strategic pillars, our use of digital technology will enable a cultural transformation of the way we work, study, and connect within the University and with our external stakeholders. We will seize the opportunities opened up by the pandemic's acceleration of longer term changes which were already in play, in order to enable aspirations around agile working by staff and the combination of the digital and the personal by students.

Leeds Trinity is also targeting further growth in degree apprenticeships by using its outstanding employer links to build on the success of its existing partnership with West Yorkshire Police. Diversification of income streams will be continued by the franchised partnership provision.

## **Going Concern**

The University's activities, together with the uncertainties arising and the factors likely to affect its future developments, performance and position are set out in the Operating Environment, Principal Risks and Uncertainties, and Plan for Future Periods sections. The financial position of the University is described in the Financial Overview and Financial Sustainability sections and in more detail within the financial statements and accompanying notes.

The Board believes that the University is well placed to manage its risks successfully, with a strong performance base in 22/23 and a robust liquidity position as at 31 July 2023 equal to 241 liquidity days. The undergraduate recruitment outlook remains healthy, franchise partners continue to grow student numbers and the demand for residential accommodation remains high.

Consideration has been given to the potential for interruptions to income streams in terms of the stress testing of extreme and highly unlikely scenarios. These cover reduced recruitment, progression and residential occupancy; changes to the fee and funding environment; and from other demands on the University's cash reserves including commitments on its strategic growth investments. The stress testing shows that the University would continue to have sufficient cash headroom throughout the period and would remain in a positive net cash / debt position indicating the continuing ability to service loan obligations from cash in hand.

The current forecasts and projections, including reasonable downside sensitivities, and the strong liquidity position, demonstrate the expectation that the University will be able to operate within its current facilities and available headroom and maintain compliance with covenants and cash requirements

The Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future (to the end of the 2024/25 financial year). Accordingly, it continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

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The Board and its committees consider the potential consequences of its decisions on its key stakeholders in the long term, taking into account a wide range of factors, as set out below. The Board fully appreciates that the University can only grow sustainably through having regard to the views and needs of these stakeholders, being its students, staff, partners and the wider community. Decisions made by the Board are informed by the University's mission, vision and values, as described in the Nature of the University section of this report. In particular, the values of dignity & care, solidarity & service, honesty & integrity, respect & inclusivity, and knowledge & excellence are rooted in our Catholic heritage and drive the Board's actions.

The Board agenda includes presentations and reports with regular updates on operational, performance and people matters. The executive team attend Board and committee meetings as do functional heads on a rotational basis, as relevant to the agenda, to ensure that the Board is in touch with all parts of the organisation in order to inform its judgments on longer term strategy. Both staff and student members sit on the Board and committees in order to ensure regular engagement of all members to representatives of these two key groups.

During the year the Board oversaw the implementation of the previously approved business cases to enter into Health & Life Sciences (including nursing) and to establish a presence in Leeds city centre in addition to our existing Horsforth campus, including the approval of significant amounts of capital investment with regards to these. The decisions and actions of the Board underline the aim of the University to achieve positive outcomes for all its stakeholders.

Further specific examples of the University's impact on the wider community are illustrated in its Charitable Purpose and Public Benefit report, which includes outreach, student success and the access and participation plan.

The Board considers therefore, that it has acted in a way it considers, in good faith, to promote the success of the University for the longer term.

**Approval**

The Strategic Report has been approved by the Board and is signed below on its behalf.

Mr Kevin O'Connor  
On behalf of the Board of Governors and Board of Directors  
29 November 2023

## CHARITABLE PURPOSE AND PUBLIC BENEFIT

### **Charitable Purpose and Public Benefit**

The University's charitable purpose is 'the advancement of education for the benefit of the public' as set out in its Articles of Association. It does this through the teaching of a diverse curriculum and by educating a broad range of students. Its students and potential students are the principal beneficiaries.

The Board of Governors has complied with its duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. A principle of public benefit is that benefits must be balanced against any detriment or harm. The Governors consider that none of the University's activities causes detriment or harm.

The University has a successful history and strong track record in the recruitment of students from under-represented groups. The Catholic social mission of the University is played out in our desire to empower individuals, regardless of their background or route into higher education, to achieve their true potential and reach the highest standards possible. It is important to Leeds Trinity that access to education is offered in an open and affordable way to all who may benefit. Widening access and improving participation to higher education is actively promoted and this is reflected in the student profile, with 98% of students coming from state schools and 20% from low participation neighbourhoods (POLAR 2).

#### Outreach

Leeds Trinity has an excellent track record in terms of the extent and success of its outreach work, with a dedicated Student Recruitment and Outreach team supporting teachers, advisors and young people by raising aspirations regarding progression to higher education. Notable investment, activities and interventions include:

- Extensive reach with schools and colleges in West Yorkshire, with relationships with over 190 institutions, together with a highly-targeted approach to prioritise schools with high ratios of under-represented pupils.
- A structured programme of academic HE "subject focus days" and a number of residential summer schools.
- Care Leavers are offered an enhanced package of advice and guidance in both the pre and post application process and once they arrive. This includes a single point of contact. Adult learners are also offered a dedicated package of advice and guidance, as well as tailored financial advice and a dedicated 'return to learn' programme prior to induction.

Leeds Trinity is committed to Go Higher West Yorkshire (GHWY), established by twelve providers of higher education in West Yorkshire. It is also committed to the National Collaborative Outreach Programme (NCOP) secured by Go Higher West Yorkshire. Go Higher West Yorkshire's mission is to work in collaboration to act as a single point of contact for information on its HE provider partners, improving access to, and achievement in, Higher Education to enhance individual and economic development.

GHWY's activities are directed through two operational groups. The Business Engagement Planning Group has a remit to work in partnership to open up higher education options to underrepresented groups, with a particular focus on employers and their employees, and its partners have worked together to develop higher and degree apprenticeships which aim to appeal to a wide range of students, and seek to investigate the social mobility potential of this emerging area of work. The Widening Participation Planning Group has a focus on working with specific target groups which have been identified: looked-after young people and care leavers, estranged students, former National Networks for Collaborative Outreach (NNCO) schools (which do not form part of NCOP) in HE cold-spot areas, and current students from non-traditional backgrounds.

## CHARITABLE PURPOSE AND PUBLIC BENEFIT

### Student Success

Leeds Trinity is committed to enabling all students to reach their full potential and succeed. Our model for widening participation is based upon the student's decision line through from thinking, applying, starting, progressing and succeeding. Notable investment, activities and interventions in place to support student success include:

- Learning Support – The dedicated Learning Hub offers personalised, one-to-one academic skills support to all students, working closely with academic departments to support and assist students who have been identified by progress and module tutors as being in danger of withdrawing or failing. The Learning Hub was commended by the QAA as an area of good practice in its most recent review.
- Personal Tutors – When students enrol on their course, a member of the lecturing staff will become their development tutor, offering students personalised academic support. Students have the same development tutor throughout the whole of their programme of study.
- Resident Mentors – Experienced and trained students live in all of our halls of residence on campus as Resident Mentors. They are available to support students as they make the transition to student life, they also play a crucial role in maintaining the community feel that the University is renowned for.
- Peer Learning Mentors (PLMs) – PLMs are level 5 and 6 students on track to achieve a first or upper second class degree in each academic department and offer students advice on all aspects of academic work through one-to-one or group sessions.
- Professional Work Placements – Every degree course at Leeds Trinity includes two professional work placements. This helps students to gain degree-relevant employment experience and gain contacts and future work opportunities that often lead to further placements or on-going opportunities
- Employability Focus – The University is proud of its employability focus which includes a blend of support and guidance that gives our graduates a head start in getting their first graduate job. Innovations include:
  - Employers are involved in the development of our degrees through involvement on approval panels and through tutor consultancy with a range of employers.
  - A focus on recruiting teaching staff with extensive professional experience in relevant areas.
  - Embedded employability skills and two credit-bearing placement modules in all our degree courses.
  - The opportunity to undertake a final-year consultancy-style project with an employer.
  - Opportunities for students to have direct contact with employers throughout their degree at events such as Professional Development Week, In-Leeds Days, Employer Challenge Days, and student-employer networking events

### Access and Participation Plan

The University's Access and Participation Plan (APP), approved by the Office for Students, covers its outreach and student success activities and also contains a range of financial support arrangements intended to complement the government's provision of loans and maintenance grants and are targeted at those identified as being most in need.

The University has a five year APP in place for the period 2020/21 to 2024/25. This ambitious plan targets the elimination of access and attainment gaps and identifies clear priorities, with those from low-participation areas and BAME ethnicities underachieving across the whole student lifecycle. The University aims to eliminate the gap at every stage in the student lifecycle by the end of the plan.

Expenditure by the University during the year on its access and participation activities is shown within the note to the financial statements in note 24.

## DIRECTORS' REPORT

**Risk Management**

The Accounts Direction from the Office for Students requires that the University embeds risk management within the organisation. The Board of Governors and its Audit Committee have carefully considered the risk management process within the institution and are of the opinion that this requirement has been met. The University reviews its risks and updates its corporate risk register on a regular basis. Key risk indicators and early warning mechanisms are highlighted and control arrangements established. If necessary, action plans to reduce the major risks are designed and implemented. The most significant risks are outlined in the Principal Risks and Uncertainties section of the Strategic Report.

**Streamlined Energy and Carbon Reporting**

As a company limited by guarantee, the University is covered by the government's policy on Streamlined Energy and Carbon Reporting, which aims to increase awareness of energy costs and help to prompt a reduction on the impact on climate change.

Greenhouse gas emissions and energy use data for the period:	2022/23	2021/22
Energy consumption used to calculate emissions (kWh)	7,725,707	8,308,227
Energy consumption break down (kWh) (optional):		
Gas	5,901,080	6,361,048
Electricity	1,824,627	1,858,695
Transport fuel	484,240	88,484
Scope 1 emissions in metric tonnes CO <sub>2</sub> e:		
Gas consumption	1,062	1,217
Owned transport	4	1
Total scope 1	1,066	1,218
Scope 2 emissions in metric tonnes CO <sub>2</sub> e:		
Purchased electricity	353	285
Scope 3 emissions in metric tonnes CO <sub>2</sub> e:		
Business travel in employee owned vehicles	5	7
Total gross emissions in metric tonnes CO <sub>2</sub> e	1,424	1,510
Intensity ratio:		
Tonnes CO <sub>2</sub> e per member of staff and students	0.24	0.28

**Quantification and Reporting Methodology:**

We have followed the 2022 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting. Please note that conversion factors are lower than the previous year

## DIRECTORS' REPORT

### Intensity measurement:

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per student and staff member, the recommended ratio for the sector. This is due to teaching and residencies being on campus and as such part of the consumption is student related.

### Measures taken to improve energy efficiency:

We continue to improve energy efficiency at all opportunities and continue to implement energy reduction measures where practicable, such as LED lighting, automatic lighting controls, energy efficient boilers, improved BMS functionality, waste recycling, percussion/sensor taps, reduced flow shower heads, sourced 100% sustainable/renewable electricity, installed solar PV for the electricity, installed a CHP for combined heating and power.

### Employment Policy

The University is committed to ensuring that its workplaces are free from discrimination of any kind. Recruitment and employment decisions are made on the basis of fair and objective criteria. Pay and grading structures operate within a national pay framework designed to support the recruitment and retention of staff and to ensure equal pay for work of equal value, and equality impact assessments are conducted as appropriate.

### Remuneration Committee and Policy

The aim of the remuneration policy is to attract, retain and continue to motivate talented Executives within an overall remuneration strategy for the Institution that supports the achievement of the Strategic Plan. The Board has an established Remuneration Committee which comprises five independent members of the Board. The Vice-Chancellor and HR Director attend parts of meetings by invitation to provide advice to the Committee and the Clerk to the Board also attends the meetings. Executives are not in attendance when their own remuneration is being considered. The Committee operates under Terms of Reference agreed by the Board. An annual report is made to the Board and a readily accessible annual statement is published on the University website based on this.

### Staff and Student Involvement

Leeds Trinity believes good communication with staff and students to be very important. There is an effective communication strategy which includes staff newsletters, meetings and regular updates. Staff are encouraged to participate through formal and informal consultations at various levels and through membership of formal committees. There is also a regular staff perceptions survey that is considered by senior management, governors and the Joint Consultative Committee. There are two elected staff members of the Board of Governors.

The Trade Union (Facility Time Publication Regulations) 2017 require the University to publish information on trade union facility time which allows employees to act as trade union representatives. For the year to 31 March 2023, 12 employees acted as trade union representatives each spending 1-50% of their hours on facility time. The total cost of facility time was £13,012 which was 0.04% of the total pay bill and no time was spent on paid trade union activities.

The President of the Students' Union is a member of the Board of Governors (which the Vice President of the Students' Union also attends as an observer) and the Academic Board. Students are represented on departmental committees and their views are sought through various means including student surveys and at least one annual student forum. The deliberative structures allow for both academic and support staff and for students to be represented throughout.

### Equal Opportunities

The University is an equal opportunities organisation and is committed to an environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The University operates an Equal Opportunities Policy and is committed to equal opportunities for both staff and students, ensuring that all individuals are treated with respect at all times and are given equality of opportunity in all activities.

The policy of the University is that applications from disabled persons should receive equal consideration for posts for which they are suitable applicants. Where an existing employee becomes disabled they will be retained in



## DIRECTORS' REPORT

employment wherever reasonably possible and will be given help with any necessary rehabilitation and training. Disabled employees are provided with the same opportunities as other employees.

### **Strategic Report**

Further information on the University and its activities can be found in the Strategic Report, including its strategy and progress against the strategy, its operating environment and principal risks, likely future plans and developments and significant research and development activities.

### **Going Concern**

Consideration of going concern is contained within the Going Concern section of the Strategic Report. As a result of that consideration, the Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future (to the end of the 2024/25 financial year). Accordingly, it continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

### **Conclusion**

The Governors believe that the University has a sound base from which to meet the likely challenges that will face the higher education sector over the short to medium term. The Governors are confident that the University, through sustainable investment in the future and very careful management of the risks, has the necessary plans and strategies in place to help ensure that the targets set for the coming years can be achieved.

### **Directors**

The Directors who served in the period and up to the date of approval of the financial statements are set out on page 1 of these financial statements. Attendance at Board and committee meetings during 2022-23 was 81% of possible attendance.

### **Disclosure of Information to Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

### **Approval**

The Directors' Report has been approved by the Board and is signed below on its behalf.

Mr Kevin O'Connor  
On behalf of the Board of Governors and Board of Directors  
29 November 2023

CORPORATE GOVERNANCE

**Responsibilities of the Board of Governors**

In accordance with the Articles of Association, the Board of Governors of Leeds Trinity University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year. The Board of Governors is also responsible for preparing the Strategic Report and Directors' Report.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time, the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Office for Students (OfS) Terms and Conditions of Funding for Higher Education Institutions, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions, the OfS Accounts Direction, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and the Companies Act 2006.

The Board of Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University for the year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Office for Students are used only for the purposes for which they have been given and in accordance with the Terms and Conditions of Funding and any other conditions which may be prescribed;
- ensure that funds from UK Research and Innovation (UKRI, including Research England), the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), are used only for the purposes for which they have been given and in accordance with any conditions which may be prescribed;
- safeguarding the assets of the University and taking reasonable steps to prevent and detect fraud and other irregularities;
- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and to track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances;
- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, the ESFA, UKRI and other funding or regulatory bodies;
- ensure an effective framework, overseen by the University's Academic Board, to manage the quality of learning and teaching and to maintain academic standards; and
- consider and act on the OfS assessment of the University's risks, specifically those in relation to funding purposes.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website.

CORPORATE GOVERNANCE

**Statement on Internal Control**

The Board of Governors is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the Articles of Association and the Terms and Conditions of Funding from the Office for Students (OfS). The system of internal control covers business, operational and compliance risks as well as financial risks.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. The Board of Governors is of the opinion that this process has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements, is in accordance with OfS guidance, and that there were no significant internal control weaknesses that should be disclosed.

The Board of Governors has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Board receives periodic reports from the Chair of the Audit Committee concerning internal control and requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- The Board of Governors formally approves the risk register at least annually.
- The Executive acts as the Risk Management Group. The Risk Management Co-ordinator reports regularly, on behalf of the group, to the Audit Committee who oversees the risk management process on behalf of the Board of Governors.
- Risk management processes are embedded throughout the University.
- A robust risk prioritisation methodology based on likelihood and significance has been established.
- An organisation wide risk register is maintained and reviewed regularly as a key tool for the management of risk

The University has an outsourced internal audit service with an annual programme approved by the Audit Committee and whose head provides the Board of Governors, through the Audit Committee, with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including risk management, control, governance processes and the arrangements in place to secure economy, efficiency, and effectiveness

The review of the effectiveness of the system of internal control by the Board of Governors is informed by the work of the internal auditors and the executive managers within the University 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 by other reports.

The Audit Committee has adopted the CUC Code for Audit Committees and undertakes an annual self-assessment against the Code. The Audit Committee complies with the Code.

### **Governors' Statement on Corporate Governance**

The following statement is provided to enable readers of the annual report and financial statements to obtain a better understanding of the governance and legal structure of Leeds Trinity University.

Leeds Trinity University is a company limited by guarantee, formally established in 2007 as an incorporated body under the Companies Act. It is registered in England and Wales and has no subsidiaries. It is also a registered charity and regulated by the Charity Commission. Its objects, powers and framework of governance are set out in its Memorandum and Articles of Association. Members of the Board of Governors are Directors of the Company and Trustees of the Charity. As a Catholic foundation established in 1966, the institution operated under a Trust Deed until its incorporation in 2007. The current Memorandum and Articles of Association of Leeds Trinity University state: 'The objects of Leeds Trinity University shall be the establishment, conduct and development of a Roman Catholic institution for the advancement of education for the benefits of the public.' The Board of Governors approves the Strategic Plan of the institution. The Articles of Association require the University to have a governing body and an academic board, each with clearly defined functions and responsibilities, to oversee its activities.

#### The Board of Governors

The Board of Governors is the governing body and comprises external independent members, together with staff and student members, appointed in accordance with the Articles of Association. There is a majority of independent, non-executive members.

The Board of Governors is responsible for the overall direction of Leeds Trinity University; its specific powers and responsibilities are set out in the Articles of Association and in the Terms and Conditions of Funding of the Office for Students (OfS). The Chair of the Board of Governors is separate from the role of the Vice-Chancellor and Chief Executive. The Catholic Bishop of Leeds is ex-officio Chair of the Board of Governors, but the Articles of Association contain provision, at the discretion of the ex-officio Chair, for another member to act as nominated Chair of the Board, subject to the agreement of the Board, and this arrangement has been in operation since incorporation in 2007. Permission to remunerate the Chair was secured from the Charity Commission in 2021-22 to start from 1<sup>st</sup> August 2022 for an initial period of three years but was not in effect in 2022-23.

#### The Academic Board

The Board of Governors has established an Academic Board, which is responsible for the oversight of the academic work and activities of the institution, and for safeguarding and enhancing academic standards and which plays a significant leadership role in the strategic academic development of the University. The Vice-Chancellor chairs the Academic Board, which comprises ex-officio and elected staff and students. The Board of Governors receives reports from Academic Board. The Chair of the Board's Academic Assurance & Student Experience Committee attends meetings of Academic Board.

#### The Vice-Chancellor

The Vice-Chancellor is Chief Executive of the institution and has general responsibility for the organisation and management of Leeds Trinity University. Under the terms of the Terms and Conditions of Funding of the Office for Students (OfS), the Vice-Chancellor is the designated officer and, in that capacity, can be summoned to appear before the Public Accounts Committee of the House of Commons. The Vice-Chancellor makes reports to Board of Governors meetings on developments in the higher education sector and their potential impact on Leeds Trinity University.

#### The Clerk to the Board

The Clerk to the Board and Company Secretary is appointed by the Board of Governors under the Articles of Association to act as Clerk to the Board and its committees. All Governors have access to the advice and services of the Clerk to the Governors and may seek independent advice if they wish. Some company secretarial work is undertaken for the Directors by an external firm.

## CORPORATE GOVERNANCE

### The Structure of Governance

Leeds Trinity University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and with best practice derived from advice from the Committee of University Chairs (CUC) and from the corporate sector. The University complies in all material respects with the CUC Governance Code of Practice. The exception to this is the role of the Chair, which is ex-officio rather than appointed by the governing body from amongst its independent members. However as noted above, the Articles of Association contain provision, at the discretion of the ex-officio Chair, for another member to act as nominated Chair of the Board, subject to the agreement of the Board, and this arrangement has been in operation since incorporation in 2007. The Board has in place a Statement of Primary Responsibilities. The University maintains and publishes on the website a Register of Interests of members of the Board and senior officers which is updated annually and whenever new interests occur.

The Articles of Association do not permit the Board of Governors to delegate any matter relating to:

- The determination of the educational and Catholic character and objects of the University;
- The approval of annual estimates of income and expenditure;
- Ensuring the solvency of the University, and ensuring the safeguarding of its assets;
- The appointment of senior post-holders, including the Vice-Chancellor; and
- The termination of the membership of any Governor.

The Board receives regular reports from the Vice-Chancellor and other senior officers on the work of the University. In line with good practice and CUC guidance, the Board conducts rigorous reviews of its effectiveness, of the effectiveness of the University's structure of corporate and academic governance, and of the performance of the Chair and members. The effectiveness reviews include the use of independent external expertise. The most recent such review took place in 2023 and is published on the University website.

The Board of Governors meets six times each year with typically an away day meeting to consider strategy and governor development matters. The Board has established committees to support its work. All of these committees are formally constituted with terms of reference and membership approved by the Board. Their membership comprises independent members of the Board and in some cases staff and student members. Some committees also have co-opted committee members from outside the Board to further strengthen the work of the committees and to support effective succession planning for Board membership. The standing committees are:

- Academic Assurance and Student Experience Committee
- Audit Committee
- Finance and Resources Committee
- Governance and Nominations Committee
- Remuneration Committee

All of these committees, together with the Academic Board, report and make recommendations to the Board of Governors, either in the form of a written report or their approved minutes.

### **Statement of Primary Responsibilities**

The Board of Governors adopts the following Statement of Primary Responsibilities, which are based upon the Memorandum and Articles of Association and recommended good practice. This statement is based on the Model Statement contained in the Governance Code of Practice published by the Committee of University Chairs, adapted to reflect the powers and responsibilities that the Board of Governors of Leeds Trinity University has that derives from the University Statutes.

The Board of Governors is the governing body of the University. The Board of Governors has ultimate responsibility for the affairs of the University. It is responsible for reviewing the work of the University and taking such steps as it

CORPORATE GOVERNANCE

thinks proper for the purpose of advancing the interests of the University, maintaining its efficiency, encouraging teaching, the pursuit of learning and research and providing for the recreation and wellbeing of students.

Consistent with the University's constitution, the primary responsibilities of the Board of Governors are:

- a) The determination of the educational and Catholic character and objectives of Leeds Trinity and for the supervision of its activities. This is achieved by the approval of the University's mission, values and vision as part of the approval and ongoing monitoring of the strategic plan;
- b) To approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to monitor these on an ongoing basis to ensure that these meet the interests of stakeholders;
- c) To delegate authority to the head of the institution as Chief Executive for the academic, corporate, financial, estate and personnel management of the institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution;
- d) To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest;
- e) To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions;
- f) To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself;
- g) To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life;
- h) To safeguard the good name and values of the institution;
- i) To appoint the head of the institution as Vice-Chancellor and Chief Executive, and to put in place suitable arrangements for monitoring her/his performance;
- j) To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability;
- k) To ensure that appropriate systems are in place with regards to the employment of staff;
- l) To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate;
- m) To ensure that appropriate systems are in place for meeting all the institution's legal obligations;
- n) To make such provision as it thinks fit for the general welfare of students, in consultation with the academic board;
- o) To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution; and
- p) To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

This Statement shall be published widely, including on the internet and in the annual report, along with identification of key individuals (that is, Chair, Vice Chair, Senior Independent Governor, Vice-Chancellor, and Chairs of all committees).

The description of the responsibilities that the governing body delegates to the Vice-Chancellor is that outlined in Article 14 of the Articles of Association.

## **Independent auditor's report to the governing body members of Leeds Trinity University**

### **Opinion**

We have audited the financial statements of Leeds Trinity University (the 'University') for the year ended 31 July 2023, which comprise Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance sheet, Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2023 and of its surplus, income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the governing body member's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the University to cease to continue as a going concern.

In our evaluation of the governing body member's conclusions, we considered the inherent risks associated with the University's business model including effects arising from macro-economic uncertainties such as Brexit, Covid -19 and cost of living crisis, we assessed and challenged the reasonableness of estimates made by the governing body members and the related disclosures and analysed how those risks might affect the University's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 members with respect to going concern are described in the relevant sections of this report.

### **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 governing body member's are 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 audit or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors report, prepared for the purposes of company law, included in the annual report for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the strategic report and the directors' report included in the annual report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included in the annual report.

### **Opinion on other matters prescribed by the Office for Students ('OfS') Accounts direction (issued October 2019) (the 'OfS Accounts direction')**

In our opinion, in all material respects:

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the governing body member's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the following matters where the OfS Accounts direction requires us to report to you where:

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

### **Responsibilities of governing body members**

As explained more fully in the Statement of responsibilities of the governing body members set out on page 16, the governing body members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governing body members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governing body members are responsible for assessing 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 governing body members either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the university, and the sector in which it operates. We determined that the following laws and regulations were most significant;
  - financial reporting legislation (FEHE SORP 2019, United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 and the OfS Accounts Direction (October 2019));
  - regulatory environment (including the OfS framework and relevant OfS regulatory notices);
  - legal framework (Companies Act 2006); and
  - the Higher Education Code of Governance published by the CUC.

The engagement team remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit;

- We understood how the University is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
  - The University's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
  - The University's control environment including the adequacy of procedures for authorisation of transactions
- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing related party transactions; and
  - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the university operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

From the procedures performed we did not identify any material matters relating to non-compliance with laws and regulations or matters in relation to fraud.

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

### **Use of our report**

This report is made solely to the University's governing body members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Devitt  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds  
Date

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2023

### 1. **Basis of preparation**

These financial statements have been prepared in accordance with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education published in October 2018 and in accordance with applicable United Kingdom laws and Accounting Standards. The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of certain land and buildings for which a cost is not readily ascertainable. The financial statements have been prepared on the going concern basis. The financial statements are presented in sterling (£).

The principal accounting policies are summarised below. They have been applied consistently throughout the current and prior years.

### 2. **Going concern**

The University's activities, together with the uncertainties arising and the factors likely to affect its future developments, performance and position are set out in the Operating Environment, Principal Risks and Uncertainties, and Plan for Future Periods sections. The financial position of the University is described in the Financial Overview and Financial Sustainability sections and in more detail within the financial statements and accompanying notes.

The Board believes that the University is well placed to manage its risks successfully, with a strong performance base in 22/23 and a robust liquidity position as at 31 July 2023 equal to 241 liquidity days. The undergraduate recruitment outlook remains healthy, franchise partners continue to grow student numbers and the demand for residential accommodation remains high.

Consideration has been given to the potential for interruptions to income streams in terms of the stress testing of extreme and highly unlikely scenarios. These cover reduced recruitment, progression and residential occupancy; changes to the fee and funding environment; and from other demands on the University's cash reserves including commitments on its strategic growth investments. The stress testing shows that the University would continue to have sufficient cash headroom throughout the period and would remain in a positive net cash /debt position indicating the continuing ability to service loan obligations from cash in hand.

The current forecasts and projections, including reasonable downside sensitivities, and the strong liquidity position, demonstrate the expectation that the University will be able to operate within its current facilities and available headroom and maintain compliance with covenants and cash requirements

The Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future (to the end of the 2024/25 financial year). Accordingly, it continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

### 3. **Basis of consolidation**

The financial statements do not include those of Leeds Trinity Students' Union as it is a separate organisation over which the University does not have control or significant influence.

The University holds a £1 guarantee in respect of Yorkshire Universities, a company limited by guarantee. As the University does not have control or significant influence and holds less than 10% of the total guarantee the results have not been included in these financial statements.

### 4. **Recognition of income**

Funding Council block grants are accounted for in the period to which they relate.

Fee income is credited to the statement of comprehensive income and expenditure over the period in which students are studying. Fee income includes the fee per student receivable from its franchise partners which is accounted for on an agency basis. Fee remissions are deducted from income. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2023

**4. Recognition of income (continued)**

Non-recurrent grants from the Office for Students, the Department for Education or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

**5. Agency arrangements**

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's arrangements with franchise partners are accounted for as agency arrangements with the income recognised being the fees due from the franchise partner, on the basis that the franchise partner retains the risks and rewards of the student income. The income is recognised with fee income as mentioned above.

**6. Accounting for retirement benefits**

The University contributes to the Teachers' Pension Scheme (TPS) for academic staff (lecturing staff and holders of some senior posts) and to the Local Government Pension Scheme administered by the West Yorkshire Pension Fund (WYPF) for other staff. Both schemes are defined benefit schemes.

The TPS is a multi employer scheme and it is not possible to identify the assets of the scheme which are attributable to the University. In accordance with FRS102, this scheme is accounted for on a defined contribution basis and contributions to the scheme are included as expenditure in the period in which they are payable.

For WYPF the University is able to identify its share of assets and liabilities and thus the University fully adopts the recognition and disclosure requirements of FRS102 "Retirement Benefits".

For WYPF 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. They are recognised in the Statement of Comprehensive Income and Expenditure. In accordance with FRS102 any surplus on the scheme is restricted to nil.

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 pensions deficit / surplus recognised in the Balance Sheet represents the present value of the defined benefit obligation adjusted for unrecognised past service cost, and the pension asset represents the fair value of the scheme assets.

**7. Land and buildings**

Land and buildings are stated at valuation or cost; the basis of valuation is depreciated replacement cost. Valuations are carried out by independent Chartered Surveyors.

On adoption of FRS15, the Institution followed the transitional provision to retain the book value of land and buildings, which were valued on 31 July 1995 by Gerald Eve, Chartered Surveyors, but not to adopt a policy of revaluations of these properties in the future. On transition to FRS102, these values were retained and the policy continued of non-revaluation of these properties.

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the institution from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful life of 50 years and extensions to buildings over 20-30 years on the amount at which the tangible fixed asset is included in the balance sheet. Depreciation is on a straight line basis. Where an asset is held at valuation, a transfer is made annually from the revaluation reserve to the income and expenditure reserve for an amount equal to the additional depreciation arising from the revalued asset.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated. The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the buildings on a basis consistent with the depreciation policy.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2023

**8. Equipment, furniture, vehicles, fixtures and fittings**

Equipment, including computers, software and furniture costing less than £5,000 per individual item or group of related items is written off to the income and expenditure account in the year of acquisition. All other tangible assets are capitalised at cost.

All assets are depreciated on a straight line basis over their useful economic life as follows:

Equipment, furniture and fittings	3-10 years
Motor vehicles	4-6 years

Assets under construction are not depreciated until completed and brought into use.

Where equipment has been acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the policy set out above, with the related grant credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

**9. Cash and cash equivalents / Investments**

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments, however liquid, are included as cash.

Term deposits held as cash but not available within 24 hours without penalty are shown as investments. Other current asset investments, which may include listed investments, are shown at the lower of cost and net realisable value.

**10. Stock**

Stock represents goods held for resale and is stated at the lower of purchase cost and net realisable value as valued by an independent stock-taker and is measured using an average cost formula.

**11. Operating Leases**

Costs in respect of operating leases are charged on a straight line basis over the period of the lease term.

**12. Taxation status**

The University is registered under the Charities Act 2011 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

**13. Financial Instruments**

Financial assets and financial liabilities are recognised when the University becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. 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). Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 July 2023

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 Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**14. Provisions**

Provisions are recognised in the financial statements when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**15. Cash flows and liquid resources**

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments, however liquid, are included as cash. Liquid resources comprise assets held as readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

**16. Accounting for charitable donations**

Charitable donations are recognised in the financial statements when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability. Where charitable donations are to be retained for the benefit of the University as specified by the donors, these are accounted for as endowments. The University's endowments are restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.

**17. Significant accounting estimates and judgements**

Preparation of the financial statements requires management to make significant estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**a. Estimates in pension costs**

The University has obligations to pay pension benefits to certain employees who are members of the West Yorkshire Pension Fund (WYPF), a scheme accounted for as a defined benefit plan. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations, the duration of liabilities and the discount rate on corporate bonds. Management estimates these factors, using external professional advice, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. Estimates arising from the impact of recent court cases on the pension liabilities are discussed in note 20.

**b. Judgements in agency arrangements**

The University has judged that its arrangements with franchise partners should be accounted for as agency arrangements after consideration of the agent / principal test, with the University receiving a fixed fee per student whilst the partners have primary responsibility for providing services to students, have latitude in establishing pricing and bear any credit risk.

**c. Judgements in fixed assets and depreciation**

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University from the asset beyond its previously assessed standard of performance. The assessment of these factors requires management's judgement. The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Depreciation methods, useful economic lives and residual values are reviewed by management at the date of preparation of each Balance Sheet and amended where necessary. The assessment of these factors requires management's judgement.

## STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 31 July 2023

	Note	Year ended 31 July 2023 £	Year ended 31 July 2022 £
<b>INCOME</b>			
Tuition fees and education contracts	1	53,319,295	47,636,570
Funding body grants	2	4,711,114	2,581,513
Research grants and contracts	3	102,309	37,810
Other income	4	4,570,251	4,217,889
Investment income	5	1,521,908	84,759
Donations and Endowments	6	5,000	-
<b>Total income</b>		<u>64,229,877</u>	<u>54,558,541</u>
<b>EXPENDITURE</b>			
Staff costs	7,8	36,792,402	30,591,874
Other operating expenses	8	18,991,524	13,448,712
Depreciation	8,9	3,414,982	3,169,606
Interest and other finance costs	8	595,768	773,533
<b>Total expenditure</b>	8	<u>59,794,676</u>	<u>47,983,725</u>
<b>Surplus for the year</b>		<u>4,435,201</u>	<u>6,574,816</u>
Actuarial gain/(loss) in respect of pension schemes	14	13,706,000	27,227,000
Restriction in the recognition of the scheme surplus		(5,703,000)	-
<b>Total Comprehensive income / (expense) for the year</b>		<u>12,438,201</u>	<u>33,801,816</u>
Represented by:			
Unrestricted comprehensive income / (expense) for the year		<u>12,438,201</u>	<u>33,801,816</u>
		<u>12,438,201</u>	<u>33,801,816</u>

The Statement of Comprehensive Income and Expenditure is in respect of continuing operations.

The notes to the financial statements are included on pages 33-50

STATEMENT OF CHANGES IN RESERVES  
For the year ended 31 July 2023

	Income and Expenditure Account			Revaluation Reserve	Total
	Endowment	Restricted	Unrestricted		
	£	£	£	£	£
<b>Balance at 1 August 2021</b>	6,272	318	17,011,493	4,696,678	21,714,761
Surplus from income and expenditure statement	-		6,574,816	-	6,574,816
Other comprehensive expense	-	-	27,227,000	-	27,227,000
Transfer between revaluation and income and expenditure reserve	-	-	204,086	(204,086)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income / (expense) for the year	-	-	34,005,902	(204,086)	33,801,816
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 1 August 2022</b>	6,272	318	51,017,395	4,492,592	55,516,577
Surplus from income and expenditure statement	-	5,000	4,430,201	-	4,435,201
Other comprehensive expense	-	-	8,003,000	-	8,003,000
Transfer between revaluation and income and expenditure reserve	-	-	(144,094)	144,094	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income / (expense) for the year	-	5,000	12,289,107	144,094	12,438,201
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2023</b>	6,272	5,318	63,306,502	4,636,686	67,954,778
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are included on pages 33-50.



## BALANCE SHEET

As at 31 July 2023

	Note	31 July 2023 £	31 July 2022 £
<b>NON CURRENT ASSETS</b>			
Fixed assets	9	44,481,011	39,438,391
<b>CURRENT ASSETS</b>			
Stock		13,986	13,146
Trade and other receivables	10	6,182,174	4,992,108
Investments	11	13,630,530	13,193,601
Cash and cash equivalents		23,542,618	25,929,979
Less:		43,369,308	44,128,834
<b>Creditors: amounts falling due within one year</b>	12	(9,201,036)	(9,912,093)
<b>NET CURRENT ASSETS</b>		34,168,272	34,216,741
<b>Total assets less current liabilities</b>		78,649,283	73,655,132
<b>Creditors: amounts falling due after more than one year</b>	13	(10,374,360)	(11,183,316)
<b>Provisions for pensions</b>	14	(320,145)	(6,955,239)
<b>TOTAL NET ASSETS</b>		67,954,778	55,516,577
<b>Restricted Reserves</b>			
Income and expenditure reserve – endowment reserve	15	6,272	6,272
Income and expenditure reserve – restricted reserve	15	5,318	318
<b>Unrestricted Reserves</b>			
Income and expenditure reserve		63,306,502	51,017,395
Revaluation reserve	16	4,636,686	4,492,592
<b>TOTAL RESERVES</b>		67,954,778	55,516,577

The notes to the financial statements are included on pages 33-50.

The financial statements of the University (registered company number 06305220) on pages 25 to 50 were approved by the Board of Governors on 29 November 2023 and were signed on its behalf by:

Mr Kevin O'Connor  
Vice Chair of the Board of Governors

Prof Charles Egbu  
Vice-Chancellor and Chief Executive

## CASH FLOW STATEMENT

For the year ended 31 July 2023

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
<b>Cash flow from operating activities</b>		
Surplus for the year	4,435,201	6,574,816
<b>Adjustment for non-cash items</b>		
Depreciation (note 8)	3,414,982	3,169,606
Deferred capital grants released to income (note 2)	(223,322)	(228,970)
(Increase)/Decrease in stock	(840)	4,337
(Increase) in debtors	(1,190,066)	(1,505,002)
Increase/(Decrease) in creditors	181,314	3,381,240
Decrease in provisions	(32,094)	(37,849)
Current and past service cost in excess of contributions (note 8)	1,218,000	3,351,000
<b>Adjustment for investing or financing activities</b>		
Investment income (note 5)	(1,526,908)	(84,759)
Interest and other finance costs (note 8)	595,768	773,533
Loss on write-off and disposal of fixed assets	39,395	18,804
<b>Net cash inflow from operating activities</b>	<u>6,911,430</u>	<u>15,416,756</u>
<b>Cash flows from investing activities</b>		
Payments made to acquire fixed assets	(9,106,264)	(3,327,861)
Movement on deposits	(436,929)	(1,973,332)
Deferred capital grant received	100,000	30,000
Other interest received	1,198,947	9,831
	<u>(8,244,246)</u>	<u>(5,261,362)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(383,957)	(294,466)
New term loan borrowings	-	-
Repayment of previous loan borrowings	(670,588)	(670,588)
	<u>(1,054,545)</u>	<u>(965,054)</u>
<b>(Decrease)/ Increase in cash in the year (note 17)</b>	<u>(2,387,361)</u>	<u>9,190,340</u>

The notes to the financial statements are included on pages 33-50.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023

**1. TUITION FEES AND EDUCATION CONTRACTS**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Full-time home and EU students	51,661,582	46,304,208
Full-time international students	507,500	219,500
Part-time home and EU students	1,150,213	1,112,862
	<u>53,319,295</u>	<u>47,636,570</u>

Included within tuition fee income above, is £19,315,108 (2022: 13,649,520) relating to income from the University's arrangements with its franchise and validation partners.

**2. FUNDING BODY GRANTS**

	<b>OfS</b>	<b>DofE</b>	<b>UKRI</b>	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£	£	<b>Total</b>	<b>Total</b>
				£	£
Recurrent grant	3,630,958	-	269,458	3,900,416	1,945,698
Specific grants	235,609	18,569	333,198	587,376	406,845
Releases of deferred capital grants, Buildings	223,322	-	-	223,322	228,970
Total	<u>4,089,889</u>	<u>18,569</u>	<u>602,656</u>	<u>4,711,114</u>	<u>2,581,513</u>

Note: The source of grant and fee income included within notes 1 and 2 is as follows:

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Grant income from the OfS	4,089,889	2,122,944
Grant income from other bodies	621,225	458,569
Fee income for taught awards	53,179,263	47,540,200
Fee income for research awards	25,600	42,500
Fee income from non-qualifying courses	86,685	53,870
	<u>58,002,662</u>	<u>50,281,083</u>

**3. RESEARCH GRANTS AND CONTRACTS**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Research councils and charities	81,624	37,810
Government	20,685	-
	<u>102,309</u>	<u>37,810</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023**4. OTHER INCOME**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Residences, catering and conferences	3,502,975	3,271,450
Other income	1,067,276	946,439
	<u>4,570,251</u>	<u>4,217,889</u>

**5. INVESTMENT INCOME**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Income from short term investments	<u>1,526,908</u>	<u>84,759</u>

**6. DONATIONS AND ENDOWMENTS**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Restricted donations	<u>5,000</u>	<u>-</u>

**7. STAFF COSTS**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	No	No
The average number of persons (including senior post-holders) employed by the University during the year, expressed as full-time equivalents, was:		
Lecturing staff, holders of senior posts, staff paid on academic scales and part-time lecturers	283	230
Administrative, professional and technical staff	318	280
Other	45	31
	<u>646</u>	<u>541</u>

	<b>Note</b>	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
		£	£
<b>Staff costs for the above persons:</b>			
Wages and salaries		27,251,246	20,833,324
Social security costs		2,851,974	2,146,147
Contributions to pension schemes	20	5,374,879	4,104,493
Pension enhancement costs	20	33,818	32,171
Restructuring costs		62,485	124,739
Service cost in excess of contributions	20	1,218,000	3,351,000
		<u>36,792,402</u>	<u>30,591,874</u>
Total			

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023

## 7. STAFF COSTS (CONTINUED)

	Year ended 31 July 2023	Year ended 31 July 2022
<b>Severance payments included within staff costs:</b>		
	£	£
Total severance and other compensation paid	62,485	124,739
	No	No
The number of people that this relates to	3	2

The numbers of staff, including the Vice-Chancellor and other key management personnel, who received emoluments (excluding pension contributions) in the following ranges were:

	Year ended 31 July 2023	Year ended 31 July 2022
	No	No
£100,001 to £105,000	-	3
£105,001 to £110,000	2	1
£110,001 to £115,000	1	-
£125,001 to £130,000	-	2
£135,001 to £140,000	1	-
£185,001 to £190,000	-	1
£195,001 to £200,000	1	-

<b>Directors' remuneration</b>	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Emoluments	317,447	273,420
Pension contributions	72,796	63,769
	390,243	337,189

<b>The number of directors who:</b>	Year ended 31 July 2023	Year ended 31 July 2022
	No	No
Are members of a defined benefit pension scheme	3	4

The amount shown for Directors' remuneration represents amounts paid to three (2021/22: four) directors in respect of their employment by the University (the Vice Chancellor and two elected staff governors) and not in respect of any duties for acting as directors. During the year three directors (2021/22: four) were members of a defined benefit scheme.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023

## 7. STAFF COSTS (CONTINUED)

**Remuneration of the Vice Chancellor (being the highest paid director):**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	<b>£</b>	<b>£</b>
Salary	197,657	190,000
Bonus	-	-
Supplement in lieu of pension contributions	-	-
	<u>197,657</u>	<u>190,000</u>
Pension contributions	46,805	44,992
	<u>244,462</u>	<u>234,992</u>

**Ratio of the remuneration of the Vice Chancellor to the median for the whole workforce:**

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	<b>£</b>	<b>£</b>
Basic Salary	5.4:1	5.6:1
Total Remuneration	6.0:1	5.8:1

In line with CUC guidance, the remuneration package of the Vice-Chancellor is reviewed annually and externally benchmarked by the Remuneration Committee on a three year cycle. This is done independently of the Vice-Chancellor who is not a member of the committee. The tri-annual review takes place using external advice and benchmarking data against an agreed comparator group comprising of other HE institutions of an appropriate size and scale.

The latest 3 yearly review took place during 2021 to inform the remuneration package as from 1 August 2021. The Vice-Chancellor's pay is benchmarked and the basic salary is set by reference to the median for the comparator group with clear expectations of the level of performance to be delivered. Performance is judged against annual individual and institutional objectives agreed by the Remuneration Committee.

The ratios for both basic salary and total remuneration are below the guideline ratio of 8.5 above which CUC guidance suggests that an institution should be prepared to justify why this is desirable.

<b>Key Management Personnel</b>	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	<b>£</b>	<b>£</b>
Emoluments	703,311	656,923
	<u>703,311</u>	<u>656,923</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University, here defined as the University's Executive Team and comprising six people (2022: five people). Emoluments includes compensation paid to key management personnel, excluding any employer's pension contribution.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023

**8. ANALYSIS OF 2022/2023 EXPENDITURE BY ACTIVITY**

	Staff costs	Depreciation	Other operating expenses	Interest and other finance costs	Total Year ended 31 July 2023	Total Year ended 31 July 2022
	£	£	£	£	£	£
Academic departments	18,594,489	38,580	5,167,839	30	23,800,938	18,484,329
Academic services	3,420,895	1,172,414	2,387,132	1,359	6,981,800	5,580,317
Residences and catering	711,035	453,869	1,014,275	348	2,179,527	1,891,914
Research grants and contracts	48,480	-	78,995	-	127,475	96,254
Premises	1,581,460	1,708,029	1,773,332	-	5,062,821	3,835,134
Administration and other	11,160,558	42,090	8,530,555	412,031	20,145,234	14,231,752
Exceptional restructuring cost	57,485	-	-	-	57,485	-
Loss on w/off of fixed assets	-	-	39,396	-	39,396	18,025
Service cost in excess of contributions	1,218,000	-	-	-	1,218,000	3,351,000
Exceptional past service cost	-	-	-	-	-	495,000
Net interest on pension liabilities	-	-	-	182,000	182,000	-
<b>Total per income and expenditure account</b>	<b>36,792,402</b>	<b>3,414,982</b>	<b>18,991,524</b>	<b>595,768</b>	<b>59,794,676</b>	<b>47,983,725</b>

Other operating expenses include:

	Year ended 31 July 2023	Year ended 31 July 2022
External auditor's remuneration for auditing of the financial statements	60,000	48,000
External auditor's remuneration for other assurance services	15,600	5,600
External auditor's remuneration for taxation compliance services	-	-
Payments under operating leases in respect of equipment	203,913	102,657

Services are inclusive of VAT for the University

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023**9. TANGIBLE FIXED ASSETS**

	<b>Assets in the course of construction</b>	<b>Freehold land and buildings</b>	<b>Furniture, equipment, fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost/valuation</b>					
At 1 August 2022 at cost	1,012,447	51,887,684	9,577,132	57,559	62,534,822
At 1 August 2022 at valuation	-	12,207,668	-	-	12,207,668
Additions during the year	4,659,240	2,447,722	1,390,035	-	8,496,997
Completed during the year	(962,858)	806,693	156,165	-	(-)
Disposals during the year	-	(131,313)	(1,161,079)	-	(1,292,392)
	<u>4,708,829</u>	<u>67,218,454</u>	<u>9,962,253</u>	<u>57,559</u>	<u>81,947,095</u>
At 31 July 2023	4,708,829	67,218,454	9,962,253	57,559	81,947,095
At cost	4,708,829	55,142,099	9,962,253	57,559	69,870,740
At valuation	-	12,076,355	-	-	12,076,355
	<u>4,708,829</u>	<u>67,218,454</u>	<u>9,962,253</u>	<u>57,559</u>	<u>81,947,095</u>
At 31 July 2023	4,708,829	67,218,454	9,962,253	57,559	81,947,095
<b>Accumulated depreciation</b>					
At 1 August 2022	-	28,336,145	6,910,395	57,559	35,304,098
Charge for the year	-	2,126,841	1,288,141	-	3,414,982
Disposals	-	(111,412)	(1,141,585)	-	(1,252,997)
	<u>-</u>	<u>30,351,574</u>	<u>7,056,951</u>	<u>57,559</u>	<u>37,466,083</u>
At 31 July 2023	-	30,351,574	7,056,951	57,559	37,466,083
<b>Net book value</b>					
At 31 July 2023	<u>4,708,829</u>	<u>36,866,880</u>	<u>2,905,302</u>	<u>-</u>	<u>44,481,011</u>
At 31 July 2022	<u>1,012,447</u>	<u>35,759,207</u>	<u>2,666,737</u>	<u>-</u>	<u>39,438,391</u>

**Land and Buildings**

The transitional rules set out in FRS 15 Tangible Fixed Assets were applied on implementing FRS 15. Accordingly, the book values at implementation were retained. Land and buildings were last valued in 1995 at depreciated replacement cost by a firm of independent chartered surveyors at the valuation as shown above. This treatment has been continued during the transition to FRS 102.



NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023**10. TRADE AND OTHER RECEIVABLES**

	<b>31 July 2023</b>	<b>31 July 2022</b>
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	4,281,970	3,465,936
Prepayments and accrued income	1,900,204	1,526,172
	<u>6,182,174</u>	<u>4,992,108</u>

**11. INVESTMENTS**

	<b>31 July 2023</b>	<b>31 July 2022</b>
	£	£
Deposits maturing: In one year or less	<u>13,630,530</u>	<u>13,193,601</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 July 2023</b>	<b>31 July 2022</b>
	£	£
Trade creditors	2,425,160	3,438,085
Bank loan repayable in less than one year	670,588	670,588
Payments received in advance	215,638	131,970
Social security and other taxation payable	833,085	769,834
Pensions and similar obligations	707,710	540,592
Deferred capital grants	248,687	233,642
Accruals and other deferred income	3,976,830	4,065,544
Amounts owing to funding councils	123,338	61,838
	<u>9,201,036</u>	<u>9,912,093</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>31 July 2023</b>	<b>31 July 2022</b>
	£	£
Bank loan	7,176,470	7,847,058
Deferred capital grants	3,197,890	3,336,258
	<u>10,374,360</u>	<u>11,183,316</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

The bank loans are repayable as follows:	<b>31 July 2023</b>	<b>31 July 2022</b>
	<b>£</b>	<b>£</b>
Due within one year	670,588	670,588
Due between one and two years	5,376,470	670,588
Due between two and five years	600,000	5,776,472
Due in five years or more	1,200,000	1,400,000
	<u>7,176,470</u>	<u>7,847,060</u>
Due after more than one year	<u>7,176,470</u>	<u>7,847,060</u>
	<u>7,847,058</u>	<u>8,517,648</u>
Total bank loans	<u>7,847,058</u>	<u>8,517,648</u>

All bank loans are unsecured.

One of the two bank loans is a 25 year term loan of £4m split into four equal portions, each with a fixed interest rate period of between 5 years and 20 years before reverting to a floating rate. Repayments are by quarterly instalments which commenced August 2014. Half of the loan has now reverted to the floating rate (which was 1.7% above LIBOR), with the other half remaining on the fixed interest rate of 7.27%. Interest is payable on a quarterly basis. Following the cessation of LIBOR as a reference rate from 1 January 2022, the loan agreement was varied to change the reference rate to be the Bank of England Base Rate. The applicable portion now has an interest rate of 1.83% above Bank of England Base Rate.

Following a 3 year revolving credit period, a term loan of £8m was drawn down in June 2018 for a 7 year period with quarterly repayments over a 17 year profile and a residual balance remaining at the refinancing point. At 31 July 2020 the loan was split into a £5m floating portion at 1.1% above LIBOR and a fixed portion of £3m at 2.88%. Interest is payable on a quarterly basis. Following the cessation of LIBOR as a reference rate from 1 January 2022, the loan agreement was varied to change the reference rate to be the Bank of England Base Rate. The applicable portion now has an interest rate of 1.18% above Bank of England Base Rate.

**14. PROVISIONS FOR PENSIONS**

	<b>Defined benefit provision under FRS102</b>	<b>Pension enhancement</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2022	6,642,000	312,329	6,954,329
Utilised in year	-	(46,800)	(46,800)
Transfer from income and expenditure account	-	15,616	15,616
Current service cost in excess of contributions	1,218,000	-	1,218,000
Net interest on liabilities	182,000	-	182,000
Actuarial gain	(8,003,000)	-	(8,003,000)
	<u>39,000</u>	<u>281,145</u>	<u>320,145</u>
At 31 July 2023	<u>39,000</u>	<u>281,145</u>	<u>320,145</u>

The pension enhancement provision relates to pension enhancements which the University has awarded to former staff members. The provision will be utilised over the period to which these individuals are entitled to their pensions, which is estimated to be over the next 25 years.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023**15. ENDOWMENT RESERVES**

	<b>Restricted Reserve</b>	<b>Expendable</b>	<b>2023 Total</b>	<b>2022 Total</b>
	<b>£</b>	<b>Endowments</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
<b>Balances at 1 August</b>				
Capital	318	6,272	6,590	6,590
New Restricted Donation	5,000	-	5,000	-
Investment income	-	-	-	-
Expenditure	-	-	-	-
	-	-	-	-
<b>At 31 July</b>	<b>5,318</b>	<b>6,272</b>	<b>11,590</b>	<b>6,590</b>
<b>Represented by</b>				
Cash	5,318	6,272	11,590	6,590
<b>Analysis by type of purpose</b>				
Scholarships and bursaries	5,318	4,965	10,283	5,283
Prize funds	-	1,307	1,307	1,307
	5,318	6,272	11,590	6,590

**16. REVALUATION RESERVE**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>At 1 August</b>	4,492,592	4,696,678
Transfer from revaluation reserve to general reserve in respect of:		
Depreciation on revalued assets	144,094	(204,086)
<b>At 31 July</b>	<b>4,636,686</b>	<b>4,492,592</b>

The increase in the revaluation reserve relates to an adjustment to correct the cumulative position as identified in the prior year audit.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023

**17. ANALYSIS OF CHANGES IN NET FUNDS AND RECONCILIATION OF CASH FLOW TO STATEMENT OF FINANCIAL POSITION**

	At 31 July 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	25,929,979	(2,387,361)	23,542,618
Current asset investments	13,193,601	436,929	13,630,530
Total short term funds	39,123,580	(1,950,432)	37,173,148
Debts due within one year	(670,588)	-	(670,588)
Debts due after one year	(7,847,060)	670,588	(7,176,472)
<b>Total</b>	<u>30,605,932</u>	<u>(1,279,844)</u>	<u>29,326,088</u>

**18. LEASE OBLIGATIONS**

	31 July 2023 £	31 July 2022 £
Rentals payable under operating leases		
Future minimum lease payments due:		
Due within one year	228,047	144,964
Due between two and five years	304,119	115,057
Due in five years or more	-	-
<b>Total lease payments due</b>	<u>532,166</u>	<u>260,021</u>

On 15 November 2022, the University entered into an Agreement to Lease for a premises in Leeds city centre, with completion of the Lease being conditional on planning approval for change of use. The proposed lease is for a term of 15 years, with a tenant break at 12 years, at a rent of £2m (net of VAT) per annum. It is currently anticipated that the lease will commence in January 2024.

**19. CAPITAL COMMITMENTS**

Provision has not been made for the following capital commitments:

	31 July 2023 £	31 July 2022 £
Commitments contracted for	<u>2,771,172</u>	<u>144,408</u>

This represents commitments entered into by 31 July for expenditure as part of the following year's capital programme.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

**20. PENSION SCHEMES**

The two pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) for academic staff and the Local Government Pension Scheme administered by the West Yorkshire Pension Fund (WYPF) for support staff.

The total pension cost for the University was:

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	<b>£</b>	<b>£</b>
Contributions to TPS	2,808,740	2,200,072
Contributions to WYPF	2,566,139	1,895,421
	<u>5,374,879</u>	<u>4,095,493</u>
Pension enhancements costs	33,817	32,170
Service cost in excess of contributions	1,218,000	3,351,000
Exceptional past service cost	-	-
Net interest on pension liabilities	182,000	495,000
	<u>6,808,696</u>	<u>7,973,663</u>
Total pension cost	<u>6,808,696</u>	<u>7,973,663</u>

**Teachers' Pension Scheme**

TPS is valued not less than every four years by the Government Actuary. Contributions are paid by the University at the rate specified. The Scheme is unfunded and contributions are made to the Exchequer. The payments from the Scheme are made from funds voted by Parliament. The contribution rate payable by the employer during the year was 23.6%.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer defined benefit pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme due to the nature of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions as if it were a defined contribution scheme. The University is not liable for any obligations other than the regular contributions.

The estimate for the contribution to the TPS for the 2023/24 year is c.£3.4m.

**West Yorkshire Pension Fund**

WYPF is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the WYPF actuary reviews the progress of the WYPF scheme.

For WYPF, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the WYPF Regulations. The most recent valuation in 2022 showed the University to be in a small surplus position with a funding level of 101%. The employer contribution rate payable by the University during the year was 19.30% until April 2023 and then 19.20% onwards.

Under the definitions set out in FRS 102, the WYPF is a multi-employer defined benefit pension scheme. In the case of the WYPF, the actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2023.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the Scheme after consultation with professional advisers.

The FRS102 disclosures below relate only to the University's pension costs in respect of the WYPF.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023**20. PENSION SCHEMES (continued)**

The material assumptions used by the actuary for FRS102 at 31 July 2023 were:

	<b>31 July 2023</b>	<b>31 July 2022</b>
Rate of increase in salaries	3.85%	3.85%
Liability discount rate	5.00%	3.40%
Inflation assumption	2.60%	2.60%

The assumed life expectations on retirement at age 65 are:

	<b>31 July 2023</b>	<b>31 July 2022</b>
<i>Retiring today</i>		
Males	21.0	21.8
Females	24.1	24.6
<i>Retiring in 20 years</i>		
Males	22.2	22.5
Females	25.1	25.7

The asset allocation of the defined benefit scheme is shown below:

<b>Value</b>	<b>31 July 2023 £'000</b>	<b>31 July 2022 £'000</b>
Equities	46,921	43,070
Property	1,933	2,172
Government Bonds	4,335	3,747
Other Bonds	2,636	2,335
Cash/liquidity	2,285	2,172
Other	469	815
	<hr/>	<hr/>
Total	<u>58,579</u>	<u>54,311</u>

The following amounts at 31 July 2023 were measured in accordance with the requirements of FRS102.

<b>Analysis of the amount shown in the balance sheet</b>	<b>31 July 2023 £'000</b>	<b>31 July 2022 £'000</b>
The University's estimated asset share	58,579	54,311
Present value of the University's Scheme liabilities	(52,876)	(60,953)
Restriction in the recognition of the scheme surplus	(5,703)	-
	<hr/>	<hr/>
Deficit in the Scheme - Net pension liability	<u>-</u>	<u>(6,642)</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 July 2023**20. PENSION SCHEMES (continued)**

<b>Analysis of the amount charged to staff costs within operating surplus</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	(3,785)	(5,243)
Past service cost	-	-
Total operating charge	<u>(3,785)</u>	<u>(5,243)</u>
<b>Analysis of amount that is charged to other finance costs</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Interest income on pension scheme assets	1,890	877
Interest on pension scheme liabilities	<u>(2,072)</u>	<u>(1,372)</u>
Net charge	<u>(182)</u>	<u>(495)</u>
<b>Analysis of the amount recognisable in the Statement of Comprehensive Income and Expenditure (SOCl)</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial gain in response of pension Schemes	13,706	27,277
Restriction in the recognition of the scheme surplus	<u>(5,703)</u>	-
Net gain	<u>8,003</u>	<u>27,277</u>
<b>Analysis of the movement in the present value of the scheme liabilities</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At beginning of year	60,953	80,921
Current service cost	3,785	5,243
Interest cost	2,072	1,372
Contributions by scheme participants	923	688
Actuarial (gains)	(13,866)	(26,040)
Benefits paid	<u>(956)</u>	<u>(1,231)</u>
Past service cost	-	-
At end of year	<u>52,911</u>	<u>60,953</u>
<b>Analysis of the movement in the market value of the scheme assets</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At beginning of year	54,311	50,898
Expected rate of return on scheme assets	1,890	877
Actuarial (losses)/gains	(156)	1,187
Contribution by employer	2,567	1,892
Contribution by scheme participants	923	688
Benefits paid	<u>(956)</u>	<u>(1,231)</u>
At end of year	<u>58,579</u>	<u>54,311</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

**20. PENSION SCHEMES (continued)****History of experience gains and losses:**

	Year ended 31 July				
	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Funded	(52,876)	(60,907)	(80,866)	(76,620)	(60,639)
Unfunded	(35)	(46)	(55)	(64)	(69)
Restriction in recognition of the scheme surplus	(5,707)	-	-	-	-
Fair value of scheme assets	58,579	54,311	50,898	41,127	42,503
Deficit in the scheme	(39)	(6,642)	(30,023)	(35,557)	(18,205)
Actuarial gain on scheme assets					
Amount (£'000)	156	1,187	8,347	(3,152)	2,752
Percentage of Scheme assets	0.3%	2.2%	16.4%	(7.7)%	6.5%
Total amount recognised in SOCI					
Amount (£'000)	8,003	27,227	8,811	(15,362)	(6,416)
Percentage of present value of scheme liabilities	13.7%	44.7%	10.9%	20.0%	10.7%

The expected return on assets is determined with regard to various factors impacting each class of asset. The bond return is based on the prevailing return available on bonds. The return on equities, property and other assets is based on a number of factors including the income yield at the measurement date, the long term growth prospects for the economy in general, the long term relationship between each asset class and the bond returns and the movement in the market indices since the previous measurement date.

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

The estimate for the contribution for the defined benefit scheme for the year 2023/24 is c.£2.9m.

**Guaranteed Minimum Pension**

Defined benefit pension schemes will be affected by the equalisation of benefits for men and women in relation to Guaranteed Minimum Pension provisions. The method of equalisation has increased the University's pension liabilities in respect of the West Yorkshire Pension Fund and the fund actuary calculated an estimated liability which was recognised during 2018/19. Any changes to the estimated liability in 2022/23 have been recognised through actuarial gains / losses.

**Transitional Protection Arrangements (McCloud)**

Following the loss of a court case (the McCloud judgement) which found that transitional protections put in place when public sector pension schemes were reformed were age discriminatory, the government has committed to seeking a remedy across all public sector schemes. The University's pension liabilities in respect of the West Yorkshire Pension Fund have increased due to this although the method of remedy and hence the amount of the increase in liabilities is not yet known. The fund actuary calculated an approximate estimated liability which was recognised during 2018/19. Any changes to the estimated liability in 2022/23 have been recognised through actuarial gains / losses.

**Widower Benefits (Goodwin)**

Following a recent Employment Tribunal ruling that a female member in an opposite sex marriage is treated less favourably than a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on the grounds of sexual orientation, the government announced in July 2020 that it believed changes would be required to all public sector schemes with similar arrangements. For the University, this will increase the liability in respect of the West Yorkshire Pension Fund, but no allowance



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

has been made in the accounting figures as it is expected that the impact on the liabilities will be immaterial and there is currently insufficient data available to estimate a cost.

**Sensitivity Analysis**

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 July 2023 and the projected service cost for the period ending 31 July 2024 is set out below.

<b>Adjustment to discount rate</b>	<b>+0.1% p.a</b>	<b>-0.1% p.a</b>
Present value of total obligation (£m)	51.871	53.881
% Change in present value of total obligation	-1.90%	1.9%
Projected service cost (£m)	1.873	2.075
Approximate % change in projected service cost	-5.0%	5.2%
<b>Rate of general increase in salaries</b>	<b>+0.1% p.a</b>	<b>-0.1% p.a</b>
Present value of total obligation (£m)	52.982	52.77
% Change in present value of total obligation	0.2%	-0.2%
Projected service cost (£m)	1.972	1.972
Approximate % change in projected service cost	0.0%	0.0%
<b>Rate of increase to pensions and rate of revaluation of pension accounts</b>	<b>+0.1% p.a</b>	<b>-0.1% p.a</b>
Present value of total obligation (£m)	53.775	51.977
% Change in present value of total obligation	1.7%	-1.7%
Projected service cost (£m)	2.075	1.8723
Approximate % change in projected service cost	5.2%	5.0%
<b>Post Retirement mortality assumption</b>	<b>+1 year</b>	<b>-1 year</b>
Present value of total obligation (£m)	54.198	51.554
% Change in present value of total obligation	2.5%	-2.5%
Projected service cost (£m)	2.047	1.897
Approximate % change in projected service cost	3.8%	-3.8%

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

**21. RELATED PARTY TRANSACTIONS**

During the year the University's transactions with Yorkshire Universities, a company limited by guarantee in which the University holds a £1 guarantee and where the Vice Chancellor is a director, were as summarised below:

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Purchases from Yorkshire Universities	10,400	10,610

The above transactions were undertaken on normal trading terms. At 31 July 2023 the amount owed to Yorkshire Universities was £Nil (2022: £Nil). The results of Yorkshire Universities have not been included in the results of the University.

During the year the University's transactions with Leeds Learning Alliance, a company limited by guarantee in which the University holds a £10 guarantee and where the Vice Chancellor is a director, were as summarised below:

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Purchases from Leeds Learning Alliance	7,500	7,500

The above transactions were undertaken on normal trading terms. At 31 July 2023 the amount owed to Leeds Learning Alliance was £Nil (2022: £Nil). The results of Leeds Learning Alliance have not been included in the results of the University.

The President of the Leeds Trinity Students' Union (LTSU) is a member of the governing body of the University. During the year the University's transactions with Leeds Trinity Students' Union were as summarised below:

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Subvention paid to LTSU	314,000	192,000
Other payments to LTSU	77,167	99,584
	<u>391,167</u>	<u>291,584</u>

At 31 July 2023 the amount owed to LTSU was £Nil (2022: £Nil). The results of Leeds Trinity Students' Union have not been included in the results of the University.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

The Catholic Bishop of Leeds is a member of the governing body of the University. During the year the University's transactions with the Catholic Diocese of Leeds were as summarised below:

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
	£	£
Visiting Lecturers	12,643	3,056

At 31 July 2023 the amount owed to the Diocese of Leeds was £9,693 (2022: £Nil). The results of the Diocese of Leeds have not been included in the results of the University.

All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

**22. EVENTS AFTER THE REPORTING PERIOD**

None to report.

**23. AMOUNTS DISBURSED AS AGENT OF THE DEPARTMENT OF EDUCATION (FORMERLY NATIONAL COLLEGE FOR TEACHING AND LEADERSHIP (NCTL))**

	<b>31 July 2023</b>	<b>31 July 2022</b>
	£	£
Funds received	775,000	1,193,000
Disbursed to students	734,800	1,234,700
<b>Balance unspent at 31 July</b>	<b>40,200</b>	<b>41,700</b>

These funds are available solely for students, with the University acting only as a paying agent. The income and related disbursements are therefore excluded from the Income and Expenditure Account. Within the cash flow they appear within the movement on creditors/debtors.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

**24. ACCESS AND PARTICIPATION**

	<b>31 July 2023</b>	<b>31 July 2022</b>
	<b>£</b>	<b>£</b>
Access Investment	1,914,052	1,538,498
Financial Support	1,800,447	550,918
Disability Support	223,456	186,584
Research and Evaluation	-	-
	<u>3,937,955</u>	<u>2,276,000</u>

£944,801 of these costs are included in the overall staff costs figure included within these financial statements (note 7).

The University's approved Access and Participation Plan included for 2022/23 a commitment to expenditure of £1,480,000 across the above activities, of which £830,000 was funded by higher fee income and the balance from other sources. The University is committed to widening participation and typically spends more than the commitments in its Access and Participation Plan.

The University's approved Access and Participation Plan for the five year period 2020/21 to 2024/25 can be accessed here:

[Access and Participation Plans - Public information - About - Leeds Trinity University](#)