



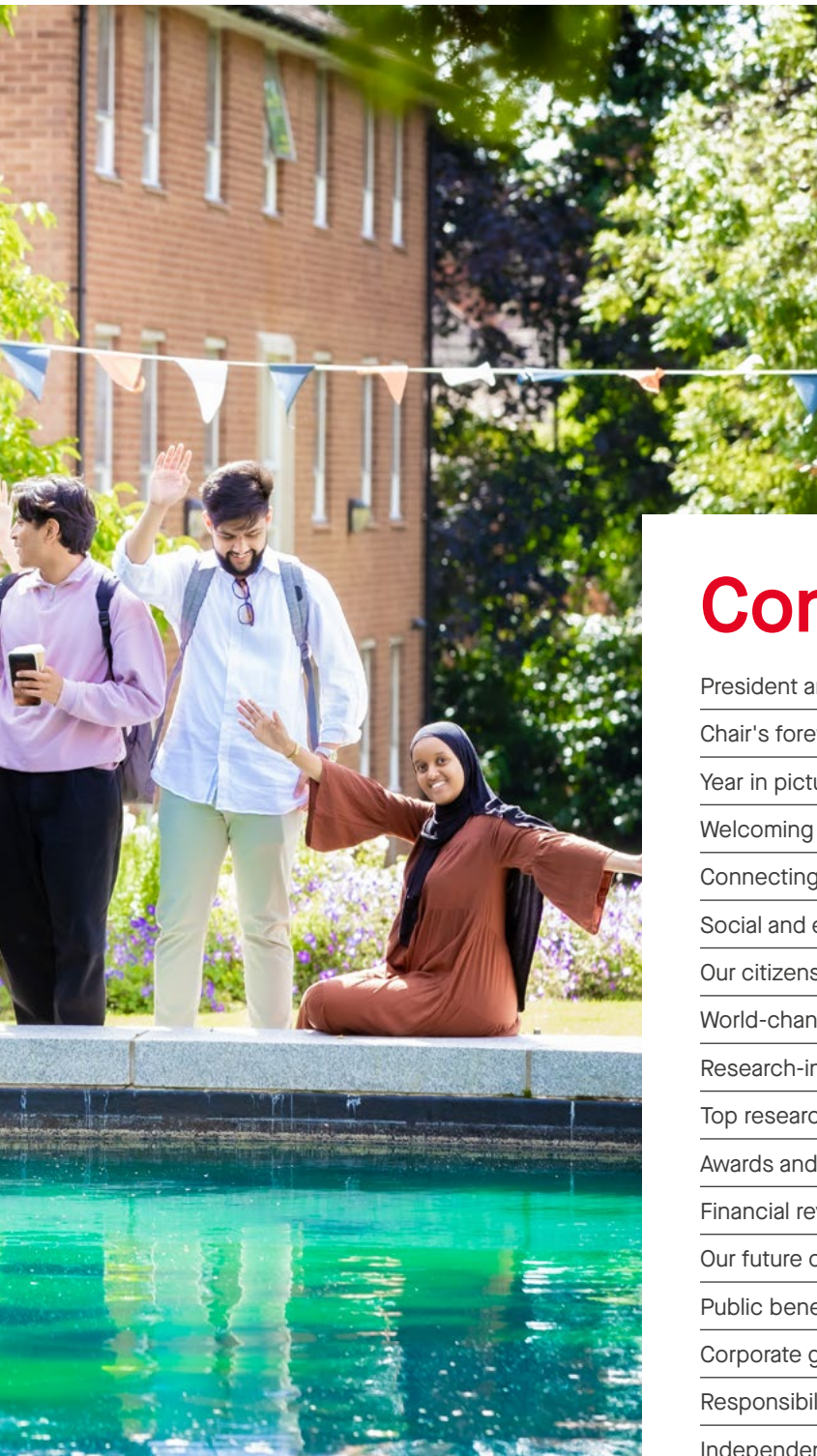
UNIVERSITY OF
LEICESTER

Annual Report and Financial Statements

2022-2023

We are Citizens of Change





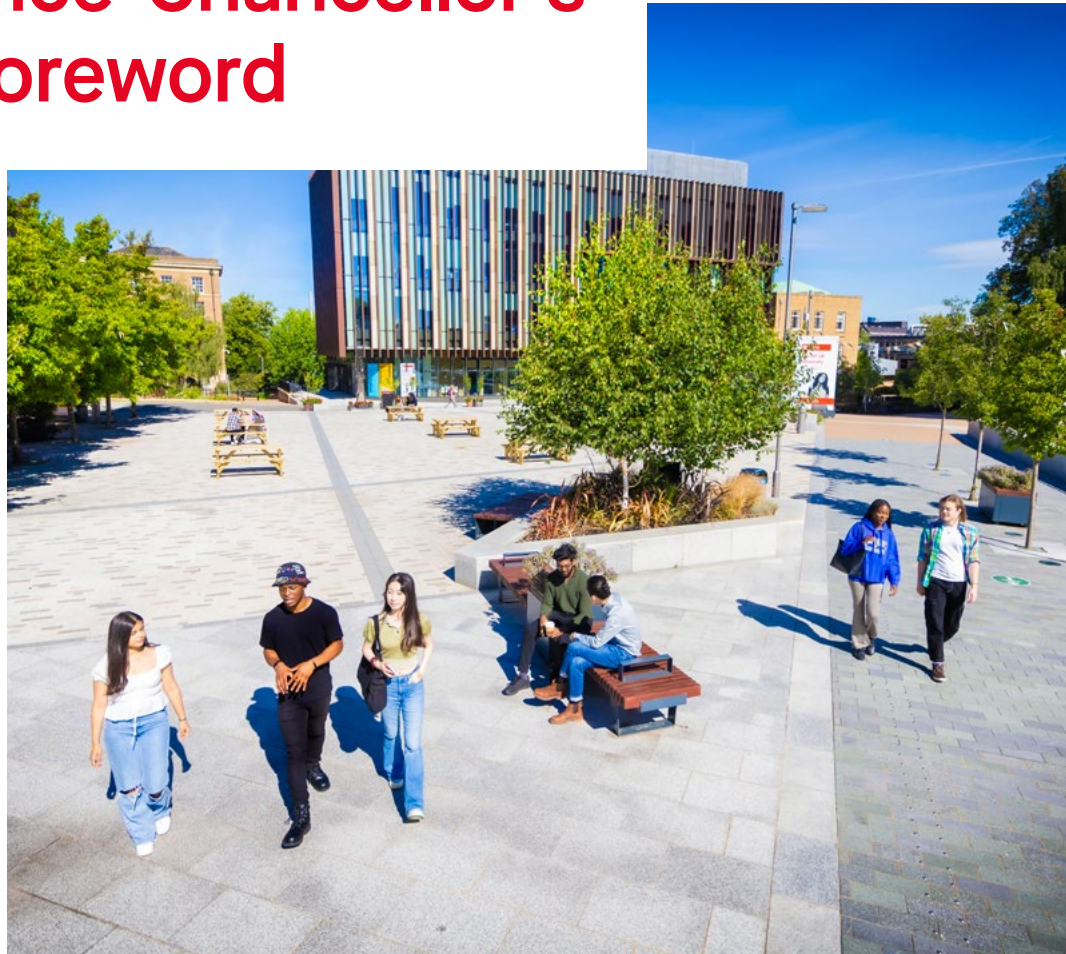
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“For the first time, a UK medical school will embed empathy at the heart of its curriculum”

President and Vice-Chancellor's foreword



This report captures many of the advances and milestones in our Citizens of Change strategy. Our commitment to research-inspired education, world-changing research and a focus on people, partnerships and impacts is amply demonstrated in the pages that follow.

In this brief introduction, I want to reflect upon the values that run across the heart of the strategy – being inclusive, inspiring and impactful. This is important because it not only describes who we are now and going forward, it also provides a framework for everything we do.

Much that is described in this report speaks to our values – our commitment to helping our co-educationalists in Ukraine, the development of the Civic Universities Agreement, and the launch of our research institutes are cases in point.

The following examples are illustrative of how a value-driven ethos underpins our mission and makes a real difference.

In April 2023, we launched the Stoneygate Centre for Empathic Healthcare, the only centre in the world that is focussed on the science of empathic healthcare. Now, for the first time, a UK medical school will embed empathy at the heart of its curriculum, teachings and research. This centre will deliver impact and influence change through thought leadership, cutting edge research, innovation and training future generations of doctors and health professionals. It provides a powerful example of how, through philanthropic support, this University is effecting change.

I am also delighted that from this autumn we are establishing a new centre in north-west Leicester to

support children from socio-economically disadvantaged backgrounds. It will play a key role in helping young people reach their full potential by inspiring them to achieve. This project is an exciting new collaboration between the University of Leicester, De Montfort University and the education charity IntoUniversity, of which I am a Trustee. It is based upon our shared concern for children growing up in poverty and because we believe in the power of education to transform their lives.

This Centre will complement our existing widening participation work, showing our commitment to work in partnership with schools to help young people overcome the barriers to accessing higher education and entering professional careers. Funding from the Stoneygate Trust has supported our Medicine with Foundation Year programme, which graduated its first cohort of students this year. Through this innovative programme, we are changing the lives of students from underrepresented backgrounds, many of them living locally, and are expanding the perspectives and diversity of the medical profession.

Another demonstration of impact is evidenced by Space Park Leicester, which continues to go from strength to strength. Since opening in Spring 2022, Space Park Leicester has generated an estimated £89 million for the economy in its first year of operation, supported 607 jobs, and landed five major Foreign Direct Investments. In March 2023, the University was delighted to play a central role in the launch of ‘Space City Leicester’ – a name which has been given to the emerging space cluster that includes Space Park Leicester, the National Space Centre, and the surrounding innovation incubators, Dock 1 and Dock 2.

Another successful feature of the year that exemplified our values was the launch of our Internationalisation Strategy. This commits the University to world-leading research collaborations and strategic high-quality transnational education partnerships and progression routes, spread across multiple regions; and offering an international or intercultural experience accessible



THE UNIVERSITY OF LEICESTER AND THE SMITHSONIAN INSTITUTION SIGNED A MEMORANDUM OF UNDERSTANDING (MOU) IN OCTOBER 2022.



DR MAGGIE ADERIN-POCOCK

to all students. Engagements in India and USA in 2023 successfully enhanced the University's international reach, reputation and partnerships, as well as establishing and deepening links with friends, alumni and philanthropists in the country.

Closer to home, there were a raft of programmes that provide tangible evidence of our values at work. Delivering the University's TEF 2023 submission was a huge focus for this year and has helped to focus priorities on improving morale, staff motivation and delivery.

We have made significant strides in the ways we support our staff: we have created a new academic promotions process with a progression route for teaching fellows; we held the first, highly-successful, Professional Day, improving the professional development opportunities available to our colleagues; and we will continue to support our staff community, responding to feedback from last year's staff survey. In recognition of the dedicated service of our staff, we held a series of long-service award events which celebrated over 500 colleagues achieving 20 years or more service at the University, including an impressive 25 staff marking 40 years or more.

Throughout the year, we have continued to demonstrate our position as a world-leading research institution, at the forefront of discovery and innovation, whether this be research casting fresh perspective on the Great Fire of London, being part of the science team on the European Space Agency's Jupiter Icy Moons Explorer, or launching the pioneering Centre for Phage Research to combat antibiotic resistant bacteria. Our Biomedical Research Centre was awarded £26 million of funding over the next five years, making it the biggest-ever research grant in our University's history. We developed a Heritage Hub to promote our research in heritage and culture and marked the 15th anniversary of the National Centre for Earth Observation, hosted here in Leicester.

We continue to take huge strides in our student recruitment activities and I am delighted to report that we have exceeded our expectations on student numbers for the year ahead. This puts our University in a strong position underpins our strategy for the next few years.

We also marked momentous change appointing the first female Chancellor of the University. Dr Maggie Aderin-Pocock was installed as Chancellor during the summer graduations. She is an excellent role model and a champion for the transformative power of education for which this University stands.

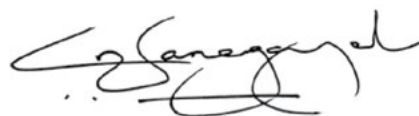
Maggie also embodies the values that this University holds dear.

- She is Inspiring, having overcome significant barriers to achieve great success.
- As an Inclusive institution, it is important for us to walk the walk, and having Maggie as our figurehead sends out the clear signal that Leicester is for everybody – diversity is our strength.
- And Maggie is a truly Impactful Citizen of Change, having demystified science for thousands of school children. She challenges people to think differently, to get involved and to make a difference.

As we look to the future and endeavour to further our horizons, I gather strength from our rich legacy and from the knowledge that, with your support, we are on the right course to succeed.

As we sign off this report I am delighted to announce that we have received the news that the University of Leicester has been awarded Gold in the 2023 Teaching Excellence Framework (TEF) confirming our student experience and student outcomes are typically outstanding.

This is wonderful news to end the year on and I am so proud of all my colleagues who work so hard to provide an exceptional experience for all our students.



**PROFESSOR NISHAN CANAGARAJAH,
PRESIDENT AND VICE-CHANCELLOR**



“I am heartened that our community continue to take inspiration from our founding story to provide hope for future generations”

Chair's foreword



As Chair of Council and an alumnus of this prestigious institution, I have the privilege of seeing the University from different perspectives.

Whichever way I look at the University, I am filled with pride at the progress we have made during the academic year 2022-23. There is much for which I could laud Leicester, but I will focus on the following: its humanity, its public profile, and its success.

Leicester was a University born in the wake of world conflict over a century ago. I am heartened that our community continue to take inspiration from our founding story to provide hope for future generations. Following Russia's illegal invasion of Ukraine, Leicester has progressed two twinning arrangements with Ukrainian universities: Kremenchuk and Poltava Agrarian. Individuals have made personal sacrifices to support refugees from Ukraine and those who have been affected by global events, such as the recent earthquakes in Turkey and Syria. This speaks volumes for the kind of University we are and the true purpose of education to make this world a better place.

Closer to home, I have been impressed by the measures the University has taken to lessen the impact of the cost-of-living crisis on our communities by working in partnership with our local authorities. This community support has been offered in addition to the wide range of support provided for staff and students.

Leicester's public profile continues to go from strength to strength. The University's ranking rose in the QS World University Rankings 2024 and we maintained our position as a top 50 institution in the Times Higher Education Impact Ranking 2024 – we are ranked 49th out of 1,591 universities in the world. Rather pleasingly, as it reflects what students think of us, the University has moved up 59 places to 15th in the UK in the Whatuni Student Choice Awards 2023. These awards are based on 35,000 student reviews using the Whatuni website. I am not surprised, therefore, to learn that our student recruitment success in 2022-23 has been phenomenal and I congratulate all those involved.

After the huge public outreach for our Centenary year, I was pleased that the momentum continued with outstanding events. Literary Leicester brought the best names in literature to our city in a festival that was completely free for the public to attend. The wonderful Attenborough Arts Centre continued to engage with audiences with exhibitions and events but what was particularly pleasing was a series of summer events in our prized asset – the Botanic Garden in Oadby. We took arts into the community with hundreds attending an open-air theatre production of Twelfth Night. This kind of outreach exemplifies the power of universities to enrich the communities within which they are set.

I was also pleased by the high profile of visitors the University attracted including ministers and leaders of key organisations. Government Chief Scientific Advisor Sir Patrick Vallance, Education Secretary, Gillian Keegan, the UK's National Statistician Professor Sir Ian Diamond, and Professor Sir Jonathan Van-Tam, former Deputy Chief Medical Officer, were among those who spoke at the University.

I cannot end without paying tribute to the era that ended with the passing of HM The Queen. Her remarkable reign was interwoven with the history of the University. She granted the University its charter in 1957 and visited us in 1958 and 2008. Her passing was marked by the University and we give thanks to her for her long reign.



**GARY DIXON,
CHAIR OF COUNCIL**

Year in pictures



A HOST OF SPECIAL GUESTS, INCLUDING FORMER STUDENTS' UNION PRESIDENT ESUANTSIWA JANE GOLDSMITH (PICTURED), JOINED US AT THE LAUNCH OF OUR £150 MILLION FREEMEN'S DEVELOPMENT



CHIEF SCIENTIFIC OFFICER SIR PATRICK VALLANCE VISITED THE UNIVERSITY TO FIND OUT MORE ABOUT OUR RESEARCH AND TO DELIVER A LECTURE.



PRABHLEEN MANN, WHO WAS ONE OF A FEW GRADUATES FROM THE TRAILBLAZING MSC1 MIDWIFERY WITH LEADERSHIP COURSE, SET HER SIGHTS ON BREAKING DOWN LANGUAGE BARRIERS FOR LEICESTER'S NEW MUMS.



THE PIONEERING NEW CENTRE FOR PHAGE RESEARCH OFFICIALLY LAUNCHED TO STUDY BACTERIOPHAGES TO COMBAT ANTIBIOTIC RESISTANT BACTERIA (PICTURED: PROFESSOR OF MICROBIOLOGY, MARTHA CLOKIE).



EXECUTIVE CHAIR OF RESEARCH ENGLAND, DAME JESSICA CORNER, VISITED LEICESTER TO EXPLORE OUR GROUND-BREAKING RESEARCH (PICTURED AT SPACE PARK LEICESTER WITH PROFESSOR OF ASTROPHYSICS AND SPACE SCIENCE, MARTIN BARSTOW).



ARCHAEOLOGISTS FROM THE UNIVERSITY OF LEICESTER EXCAVATED A ROMAN CELLAR AT LEICESTER CATHEDRAL. CREDIT: UNIVERSITY OF LEICESTER ARCHAEOLOGICAL SERVICES (ULAS).

Year in numbers

£103 million

awarded in funding for research



5 new

research institutes launched





86-YEAR-OLD HISTORY PHD GRADUATE, STAN HARDIE, WAS THE OLDEST STUDENT TO GRADUATE IN THE CLASS OF 2023.



A TEAM OF UNIVERSITY OF LEICESTER PLANETARY SCIENTISTS, INCLUDING PROFESSOR EMMA BUNCE (DIRECTOR OF THE INSTITUTE FOR SPACE) AND PROFESSOR LEIGH FLETCHER (SCHOOL OF PHYSICS AND ASTRONOMY) WERE AMONG THE TEAM INVOLVED IN THE AMBITIOUS JUICE ROCKET MISSION TO JUPITER.



FIVE AMBITIOUS NEW RESEARCH INSTITUTES LAUNCHED TO TACKLE SOME OF THE WORLD'S MOST PRESSING CHALLENGES, FROM THE CLIMATE CRISIS, HARNESSING THE POTENTIAL OF SPACE, TO RESEARCHING NEW AND CURRENT THREATS TO OUR HEALTH.



AN INSPIRING LEADERSHIP PANEL SHOWCASING WOMEN IN STEAM (SCIENCE, TECHNOLOGY, ENGINEERING, ART AND MATHS) TOOK PLACE AT SPACE PARK LEICESTER TO MARK INTERNATIONAL WOMEN'S DAY 2023

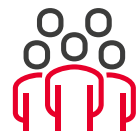
23rd

in the Times Higher Education (THE) impact ranking



20,000

students studying with us



1st

Dr Maggie Aderin-Pocock became the first woman Chancellor of the University



£26 million

received in funding for our Biomedical Research Centre (BRC)





DR MAGGIE ADERIN-POCOCK MBE

Welcoming our Chancellor

This year we were delighted to welcome Dr Maggie Aderin-Pocock MBE as the University of Leicester's eighth Chancellor.

“Leicester is such a diverse and vibrant community so to become part of that is a real honour”

An award-winning space scientist, broadcaster and author, Maggie officially joined the University as Chancellor on Wednesday 1 March 2023, succeeding The Rt Hon Lord David Willets.

As Chancellor, Maggie is the ceremonial head of the University. The Chancellor acts as an advocate for the University both nationally and internationally and chairs the annual meeting of University Court.

Maggie is best known for her work on *The Sky at Night*, which she has presented since 2014. She always had the desire to go to space, however, when she told a teacher that she wanted to be an astronaut, they suggested that she go into the caring professions as that was a more realistic aim.

She persevered with her love of science and obtained a physics degree and PhD in mechanical engineering at Imperial College London in 1994.

Maggie has worked for the UK Ministry of Defence, helping to develop aircraft missile warning systems and hand-held instruments to detect landmines.

She worked at University College London from 1999 to 2005, developing a high-resolution spectrograph for the Gemini Observatory in Chile.

Maggie worked on the Aeolus satellite, which measures wind speeds in the Earth's atmosphere to help with our understanding of climate change. She also worked on instrumentation for the James Webb Telescope.

She was awarded an Honorary Doctorate of Science by the University of Leicester in 2018.

On being appointed as Chancellor of the University of Leicester, Dr Maggie said:

"When I was first approached, I must admit, I was taken aback. But it seemed to make a lot of sense to me.

I have spent a lot of time in Leicester filming with The Sky at Night. I made a film a few years ago that featured Leicester greatly.

Leicester is such a diverse and vibrant community so to become part of that is a real honour and I am really looking forward to getting started."

Talking about her educational journey, Maggie said:

"For me it is quite interesting because I know the power of education.

As a child, I went to 13 different schools and people sometimes ask 'How naughty were you?.

But it is because my parents split up when I was around four, and I moved around a lot, but also I have dyslexia and that meant that when I was at school, I was put in a class for those with additional needs.

I was just thought of as the unintelligent one at the back, but with education and inspiration and lots of fantastic teachers, I was able to go on to get GCSEs, A-levels and then a degree and a PhD.

That transformed my life and to be part of the University of Leicester gives me the opportunity to share that with other people."

University President and Vice-Chancellor, Professor Nishan Canagarajah, said:

"As we embark on the University's second century, I am delighted we have secured such a high-profile scientist and role model as our Chancellor.

Maggie embodies the University's three values. She is Inspiring, because she has overcome significant barriers to achieve great success. As an Inclusive institution, it is important for us to walk the walk, and having Maggie as our figurehead sends out the clear signal that Leicester is for everybody – diversity is our strength.

Finally, Maggie is a truly Impactful Citizen of Change, having demystified science for thousands of school children. She challenges people to think differently, to get involved."

Maggie's tenure as Chancellor of the University of Leicester is for five years.



DR MAGGIE ADERIN-POCOCK MBE WELCOMED TO THE SUMMER GRADUATION CEREMONY

Connecting across the globe



LEICESTER REPRESENTATIVES HANDED OVER A COLLECTION OF BOOKS TO THE SMITHSONIAN INSTITUTION WHICH REPRESENT THE UNIVERSITY'S GROUND-BREAKING RESEARCH.

(FROM LEFT) BECKY KOBBEROD, HEAD OF THE SMITHSONIAN'S OFFICE OF DIGITAL TRANSFORMATION, PROFESSOR NISHAN CANAGARAJAH, LEICESTER'S PRESIDENT AND VICE-CHANCELLOR, JORGE ZAMANILLO, FOUNDING DIRECTOR OF THE SMITHSONIAN'S NATIONAL MUSEUM OF THE AMERICAN LATINO, DR PETRINA FOTI, MUSEUM STUDIES PHD, PROFESSOR ROSS PARRY, PROFESSOR OF MUSEUM TECHNOLOGY, AND WESLEY CHENAULT, ASSOCIATE DIRECTOR OF STRATEGIC INITIATIVES AND PROGRAMS, SMITHSONIAN LIBRARIES AND ARCHIVES.

The University's legacy of hope, as a living memorial, drives our mission and has international relevance.

We are proud to have students and staff from more than 100 countries across the world, creating a truly global community.

This includes a presence in eight regions spanning South Asia and India, Canada, China, East and South East Asia, Middle East and North Africa, and Sub-Saharan Africa and Pakistan.

Launching our Internationalisation Strategy and strengthening overseas partnerships

Following the restrictions of lockdown and lack of international mobility, this year we seized the chance to have a greater global impact with the launch of our new international strategy. In March, President and Vice-Chancellor, Professor Nishan Canagarajah, launched the strategy during a trip to India. During the four-day tour he travelled to Delhi and Hyderabad to meet national education leaders and prospective partners to explore

ideas for collaboration. He also linked up with existing research partners and alumni and celebrated the successes of former Leicester students living in India. The visit gave Professor Canagarajah the opportunity to meet the team behind the £10 million University of Leicester-led global health research project, which is set to improve healthcare in the Asian subcontinent.

Professor Canagarajah also visited the United States with a number of colleagues in May. During the visit a new agreement was signed with the Smithsonian Institution that will see them continue their role as a strategic partner of the University – a relationship that began 100 years ago with the Smithsonian gifting books to our fledgling library. The Smithsonian will support the development of staff exchanges and a new Fellowship in our flagship Institute for Digital Culture.

Supporting displaced people through education

Our Sanctuary Seekers' Unit continues to place the University at the forefront of support for displaced people from around the world. Offering face to face and online English language support through our pre-sessional programmes and in collaboration with City of Sanctuary, we have supported around 250 students from a range of nationalities including Turkish, Sudanese, Ukrainian and Syrian. We also launched RefugEAP – a free online pre-university academic English skills programme for refugee students across the UK who would otherwise be unable to access suitable provision. The RefugEAP Programme has been designed using trauma-informed

pedagogical principles by staff at our Sanctuary Seekers' Unit and the University of Leeds Language Centre. In the last year 35 students benefitted from this programme.

Our support for those impacted by the Russian invasion of Ukraine has grown. We signed twinning agreements with two Ukrainian universities: Kremenchuk Mykhailo Ostrohradskyi National University and Poltava State Agrarian University. We also welcomed four students from Kremenchuk on our Study Abroad programme and they, along with two other Ukrainian students, have received fully funded scholarships of more than £250,000 as part of our work with a consortium of universities led by King's College London.

Short courses for international students

Prior to the COVID-19 outbreak in March 2020, Leicester offered a range of short courses to students and professionals. Whilst we were able to continue with some of these online during the pandemic, the return of face-to-face programmes, starting with our summer schools in August 2022, has been welcomed. Our short courses offer an opportunity for students at our partner universities to experience life at a UK university. These courses not only improve participants' English language, but also provide an academic, cultural and social experience. A range of disciplines and programmes are offered, including our English for Medics programme which has now been running for over 20 years. This summer (2023) we welcomed 90 students from the Dalian Leicester Institute (DLI) and over 40 from Chongqing Medical University (CQMU).



THE ENGLISH FOR MEDICS INTERNATIONAL SUMMER PROGRAMME.



Social and environmental sustainability



As Citizens of Change, social and environmental sustainability is woven through every part of our academic and operational activities.

We have a partnership approach that enables us to use the expertise and enthusiasm of our staff and students to shape, not only our own strategies and policies, but also our local, national and international partners.

We are working with over 40 departments across the University on our Local Environmental Action Plan (LEAP) project and have taken a data-led approach to help us understand which sustainability challenges to address first.

Reducing our carbon emissions

We have been working hard to reduce our carbon emissions and have committed to reach net zero by 2040 (remove more greenhouse gases from the environment than we emit). Our commitment is particularly ambitious

as it covers all emissions that result from activities that are directly financed by the University.

The table below shows the energy consumption and carbon emissions associated with running our buildings and vehicles (excluding College Court Conference Centre) for the financial year 2022/23.

	2022/23	2021/22
Cost of energy used (£)	9,170,795	10,197,219
Energy consumption (kWh)	83,523,308	84,765,927
Greenhouse gas emissions (tonnes CO2e)	15,749	15,292
Electricity	6,832	6,607
Gas	4,656	4,584
Steam and hot water	4,040	3,786
Biomass	9	7
Fuel oil	0	140
Fleet vehicles	54	75
Grey fleet and hire vehicles	158	93
Total greenhouse gas emissions per £'000 income (kg CO2e)	43	45

We have continued to reduce our overall energy consumption and carbon emissions have fallen by 16% compared to our 2018/19 baseline. However, carbon emissions have increased slightly this year (3%) compared to last year, mainly due to electricity and heating being more carbon-intensive.

We remain on the right trajectory and are proud to have halved our direct carbon emissions since 2005, despite major expansion of the University.

We are taking action to reduce our energy use by making changes to how we heat, cool, ventilate and run our buildings. Since 2021, the Estates Team have won a total of £2,723,981 in external grants for energy saving projects. We are also thinking about how we occupy and work within the buildings to reduce our impact. Recent projects include:

- Upgrading the lighting in the Ken Edwards and Kingfisher buildings.
- Improved controllers to manage heating and ventilation in the Attenborough building.
- Upgrading the external lighting on campus and our residential sites.

Supporting local action

Through our own activities individually and through the Universities Partnership, we are supporting our community and local authority partners as an active member of the Leicester Climate Emergency Partnership. In March we signed up to the Leicestershire Climate and Nature Pact. The Pact – which stands as a statement of intent on the county’s climate action pledges – was officially launched at a signing ceremony, attended by representatives from more than 40 organisations who gathered to share their ideas on how to work together towards the common goal of making Leicestershire a net zero county by 2045.

Embedding sustainability in all our teaching

We are the only university in the UK to have mapped all our courses against the UN’s Sustainable Development Goals (SDGs), embedding sustainability-related issues into every undergraduate programme.

Student feedback showed the number of undergraduates wanting the University to “actively incorporate and promote” sustainable development rose from 78% in 2016 to 87% in 2022.

Students told us they wanted to be equipped with the knowledge and skills to work and live in a way that safeguards environmental, social and economic wellbeing for them and future generations.

This sector-leading approach has resulted in requests to share practice with other UK institutions and an invitation to be one of ten Universities delivering a QAA project on Education for Sustainable Development and Academic Quality.

Protecting all life

With 88 acres of green space our campus hosts a plethora of species. Our Biodiversity Action Plan seeks not only to 'do no harm', but also to instigate projects and strategies that make a positive contribution for all life on our sites.

We have undertaken a number of projects to improve our sites for pollinators and other important species - including wildflower areas, beehives, edible planters and a forest garden for all our staff, students and visitors to enjoy.

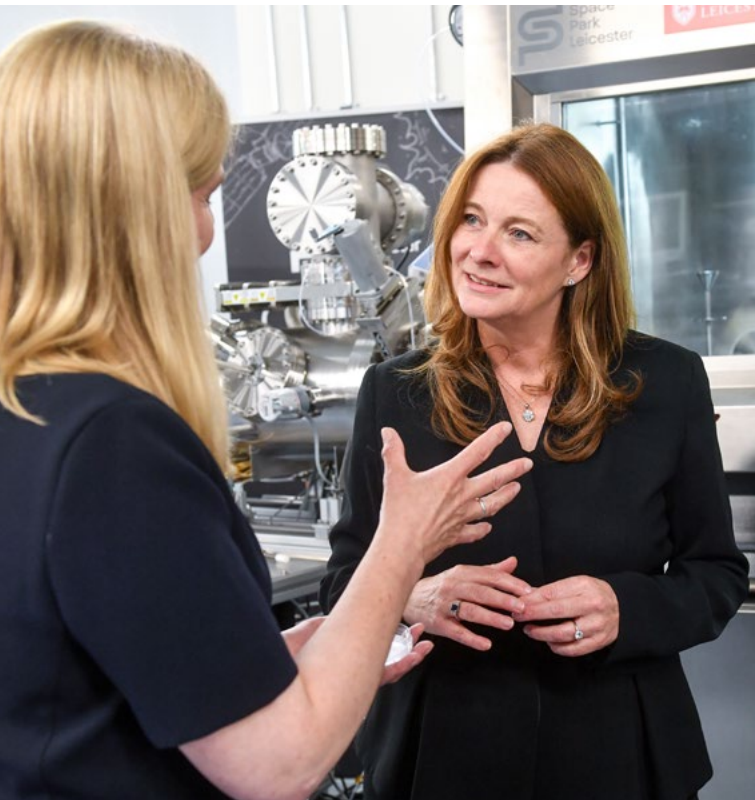
Our Gardens and Grounds Team have planted tapestry lawns outside the Astley Clarke and George Davies Centre. Tapestry lawns have a mixture of over 60 different plant species that changes throughout the seasons. They attract 25% more invertebrate life than a typical grass lawn, with ten times the visits from twice as many pollinators – making them great for biodiversity; they look spectacular too!



SIR PATRICK VALLANCE

Our citizens

We value, nurture and celebrate our people and relationships, ensuring they are inclusive, impactful, sustainable, and influence positive change in our world.



GILLIAN KEEGAN, EDUCATION SECRETARY VISITS SPACE PARK LEICESTER

Engaging with policymakers

We have stepped up a gear with our external engagement and over the past year we have welcomed a number of leading figures to our campus including:

- Sir Patrick Vallance, Chief Scientific Adviser to the Government from 2018 to 2023.
- Gillian Keegan, Education Secretary.
- Pat McFadden, Shadow Secretary to the Treasury.
- John Gill, Editor of Times Higher Education.
- Nick Hillman, Director of The Higher Education Policy Institute.
- Dame Jessica Corner, Executive Chair of UK Research and Innovation.

Sir Patrick delivered the Chancellor's Distinguished Lecture to a large public audience and Education Secretary Gillian Keegan MP launched the Space Degree Apprenticeship, a partnership between the University and Airbus, which will deliver world-leading skills education and support the growth of the space sector.

Our policy engagements ensure our citizens are leading the conversation and applying their expertise to address the world's most pressing issues.

Our President and Vice-Chancellor, Professor Nishan Canagarajah continues to provide thought-leadership in higher education, most recently with a blog on the opportunities and challenges presented by Leicester emerging as the first plural city in the UK - where no ethnic group has a majority.

A partnership for Leicester, Leicestershire and Rutland

We launched our Civic University Agreement (Universities Partnership) in June 2022 – a commitment with De Montfort University, Loughborough University and the city and counties of Leicester, Leicestershire and Rutland to work together for the benefit of local people and the prosperity of our places.

Over the past year the partners have delivered projects that will see the universities and local authorities embed social value into procurement contracts, securing opportunities for local people; provide businesses with environmental sustainability advice; deliver outreach and support to schools, and work together to enhance graduate retention in the region through connecting businesses with graduates and offering paid placements.

Supporting our Citizens

We have put in place a raft of measures to help our students, staff and the community as the cost of living continues to rise.

The University and Students' Union are providing a wide-range of support for students, including hardship funds, free breakfasts, free transport to campus, wellbeing support and services, and a range of other subsidises to reduce the costs of living.

University staff have been benefitting from free breakfasts, free transport on the University shuttle buses and discounted car parking charges.

Art for all

In an effort to support our communities with the increasing costs of living, our Attenborough Arts Centre provides warm spaces for the public and continues to offer a range of free and low cost 'Pay What You Can' programmes to ensure art is accessible to all including:

- Free exhibitions seven days a week.
- Free lunchtime concerts on Tuesdays at 12.15pm.

- Free Wildcard Wednesday creative drop-in sessions, term time from 6.00pm to 8.00pm.
- Free family gallery workshops, Saturdays from 1.00pm to 3.00pm.

Giving back to our community

Our Law School Legal Advice Clinic has been offering free legal advice services to communities in need. The clinic has established partnerships with New Dawn New Day, Highfields Centre and Shama Women's Centre to provide targeted support during the cost-of-living crisis.

Also, as part of Project Light, Medical School students continue to offer health support and advice to homeless people in the city, and The Leicester University Community First Responders, provide medical support to 999 emergency patients in partnership with East Midlands Ambulance Service.

Top authors support Literary Leicester Festival

Budding writers and keen readers had the opportunity to hear from an array of brilliant authors including Kit De Waal, Bernadine Evaristo and Leicestershire's own Nina Stibbe at this year's Literary Leicester event – our annual free literary festival which took place in March.

Multi-award-winning and Leicestershire-born writer, Nina Stibbe spoke at the event. Nina was raised in Fleckney and is probably best known for her 2013 memoir, *Love, Nina* which was shortlisted for Waterstones Book of the Year and won Non-Fiction Book of the Year at the National Book Awards 2014.



NINA STIBBE



PROFESSOR MARTHA CLOKIE, PROFESSOR OF MICROBIOLOGY IS LEADING THE FIGHT AGAINST ANTIBIOTIC RESISTANT BACTERIAL INFECTIONS.

World-changing research

Across our three Colleges we are home to 18 Research Centres, each contributing to our reputation as a research-intensive institution that delivers both research excellence and impact.

We are celebrating a record-breaking year of research awards after doubling the amount we received compared to the previous year.

The University received £103m in research awards in the last financial year. It's the first time Leicester has broken through the £100m award funding ceiling, and comes just over a year after being named a top 30 UK university for research in the Research Excellence Framework 2021*.

The most lucrative amount of funding came in October 2022, when it was announced Leicester and partners were to receive £26m to continue pioneering research into improving and saving lives. The investment is being used by the National Institute for Health and Care Research (NIHR) Leicester Biomedical Research Centre to research illnesses linked to respiratory diseases, cardiovascular diseases, type 2 diabetes, chronic kidney disease and the consequences of inactivity.

In addition to a wealth of health research, the £103m was awarded for a diverse range of projects which will have wide-ranging impacts on society, culture and the environment.

Here is a snapshot of some of our other research successes from the past year:

Launch of Fellowship Academy

Nurturing the next generation of researchers to become world-leaders in their field is a central part of our strategy. One way we are delivering on this ambition is through our new Fellowship Academy which launched in June.

The Fellowship Academy will provide support for internal and external applicants wishing to pursue a funded personal fellowship at the University, as well as current fellows in receipt of an externally-funded personal fellowship.

Early Career Fellows to conduct ground breaking research

Six academics will join the University of Leicester in the 2023/24 academic year after being awarded Early Career Fellowships from the Leverhulme Trust.

The Fellowships assist early-career academics who have a research record but have not yet held a full-time, permanent academic post to undertake a significant piece of publishable work. The Leverhulme Trust offers only 145 of these prestigious fellowships each year, across all eligible subject areas.

£1.25 million funding for social sciences

We have been awarded £1.25 million by the Economic and Social Research Council (ESRC) to fund our social scientists. Support through an Impact Acceleration Account (IAA) award will allow our social scientists to continue building on the successful programme of activities delivered through our Round 2 ESRC IAA, and

enable us to further enhance the development of our innovation endeavour.

We have also received impact accelerator funding from the Medical Research Council (MRC) and the Biotechnology and Biological Sciences Research Council (BBSRC).

Director appointed to lead new Institute for Policy

Professor Neil Chakraborti has been appointed as founding Director of the new Institute for Policy at Leicester which will officially launch in early 2024.

Professor Chakraborti will be responsible for leading the development and implementation of the Institute's research and policy agenda.

Neil is a Professor in Criminology at the University of Leicester and Director of the Centre for Hate Studies. He has been commissioned by a diverse range of funding bodies, including Amnesty International, the Economic and Social Research Council, the Equality and Human Rights Commission and the Leverhulme Trust, to lead ground-breaking research studies which have shaped regional, national and global policy interventions.

Commenting on the appointment Professor Chakraborti said: "I look forward to working with colleagues across the University and beyond to develop innovative research and policy solutions that address some of the most pressing challenges facing our society today."

New centre puts empathy at the heart of healthcare

In April we saw the launch of the Stoneygate Centre for Empathic Healthcare, a new research centre focussed on helping to improve patient satisfaction and reduce their pain.

The centre will pioneer a robust new approach to medical education and training that positions empathy at the heart of healthcare, fostering health and care services that are fit for the future.

The centre is the first of its kind in the UK and aims to provide the NHS with the most empathetic and resilient junior doctors possible.

Co-funded by the University and The Stoneygate Trust, the £10m centre will provide the resources required to embed empathy into the core of Leicester's Medical School curriculum, and then expand it across the UK and beyond.

Delivering tomorrow's health and care research

The National Institute for Health and Care Research (NIHR) has chosen a partnership led by the University of Leicester to host one of eight hubs that will deliver the new NIHR Research Support Service (RSS).

The University and its collaborating clinical trials units and research groups have been awarded £8.5 million over five years to work with researchers to design and deliver important health and social care research.

The NIHR Research Support Service will provide researchers, especially those applying for and in receipt of NIHR funding, with free access to support, advice and expertise. It will help them develop and deliver clinical and applied health and care research.

Combating antibiotic resistant bacteria

Our pioneering new centre to study bacteriophages to combat antibiotic resistant bacteria officially launched in May.

The Centre for Phage Research is the first of its kind to exist in the UK and will look at alternatives to antibiotics – specifically the potential use of phages (viruses that infect bacteria and kill them) to fight bacterial infections.

It follows warnings from the World Health Organisation that antibiotics are becoming less effective at treating bacterial infection. In 2019 there were 4.95 million deaths across the world that were associated with antibiotic resistant bacteria, with the problem predicted to increase in the coming decades.



PROFESSOR JEREMY HOWICK LAUNCHES THE STONEYGATE CENTRE FOR EMPATHIC HEALTHCARE



Research-inspired education

More than 20,000 students are currently studying with us at the University of Leicester. We endeavour to support and empower all of them to become positive Citizens of Change through the power of education.

Over 6,000 students graduated at our winter and summer ceremonies, celebrating the culmination of their academic journey. With over 100 different nationalities represented, reflecting the diversity and inclusiveness of the University's student community.

Over the past year we've worked hard to encourage students back to campus and help them to recover lost learning from the pandemic, that support remains ongoing.

TEF submission

In January 2023 we submitted our Teaching Excellence Framework (TEF) submission, which involved pulling together evidence and case studies to demonstrate how the University delivers excellence in teaching, learning

and student outcomes. The submission revealed the special niche that Leicester occupies in the sector in having such a diverse student body. This incredible richness means our educational mission is particularly important; we really can change the world by providing the highest quality education and helping our students to achieve their aspirations. It also revealed many examples of fantastic teaching practice going on around the institution. From small scale innovations, like co-created assessment rubrics in individual programmes that help demystify what assessment is all about, to the Study Well programme that we're rolling out across more Schools that creates a sense of belonging and promotes study skills for students – we have some sector-leading advances happening at the University of Leicester.

Changes to assessment strategy

The last few years have seen large scale changes in Higher Education assessments, with an increase in online exams, movements to improve inclusivity, growth in co-creation and student-staff partnerships, and developments in artificial intelligence. In light of these changes, a team of academics across the University's colleges consulted with our Students' Union, educational

developers, AccessAbility centre, and Careers Development Service to create a new assessment strategy to ensure Leicester capitalises on these innovations. Launching in September 2023, staff will work with students to ensure that assessment is future facing, encourages deep learning, and is underpinned by fair and timely systems and policies.

Championing diversity and inclusion

We have delivered Race Inclusion workshops to academic schools and professional services teams across the University, with action plans being developed which detail the commitments that each School and team is making to ensure racial inclusivity within their work. In addition, the 2022/23 phase of our Curriculum Consultants initiative has been the most successful yet. The initiative involves students, paid the National Living Wage and working up to six hours per week, exploring or implementing changes to make the academic environment more inclusive. In the latest phase, over 1,000 students engaged, ten final reports were submitted, and eight surveys and nine focus groups took place – supporting the University’s strategic aim to ensure every student has fair and equal access to learning, developmental and support opportunities that will remove any differences in student progression and success rates.

A growing international student body

Almost a third of students at Leicester are from outside the UK. To enhance our support of this growing international student body, we have implemented some key improvements and changes, including establishing an International Student Experience team to support transition, belonging and success, embedding an international student induction into our Welcome activities whilst ensuring cultural relevance, and offering an International Student Skills programme for pre arrivals.

Enhanced teaching quality

We aspire to deliver the highest standards in teaching, learning and assessment, and to provide the best possible educational experience for all students. We expect all our staff involved in teaching to contribute positively towards this goal. The University has recently launched teaching quality guidance for staff to develop a common understanding of the requirements for delivering a consistent educational experience through our core values of being inclusive, inspiring and impactful. A new Teaching Quality Group has been set up to oversee monitoring and evaluation of teaching quality across the University using associated internal and external metrics. This group will also identify and maintain an evidence base of developments and enhancements of teaching quality across the institution.





Top research stories

THE ROMAN ALTAR STONE FOUND DURING ARCHAEOLOGICAL EXCAVATIONS AT LEICESTER CATHEDRAL. CREDIT: ULAS



The University has been in the spotlight with a number of exciting research stories over the past year. Here are a few highlights...

Time of day matters for breast cancer treatment

Scientists and clinicians from the University of Leicester and University Hospitals of Leicester NHS Trust have found that breast shrinkage after breast cancer radiotherapy could be reduced by treating a patient at the optimum time of day. They identified that three genes linked to circadian rhythms – our internal body clocks – are associated with increased risk of side-effects following radiotherapy at particular times in the day.

Academics pipe up with a new interpretation of history

The historic misuse of the humble smoker's pipe has led to two University academics realisation that we might be missing a trick when it comes to interpreting history. Dr Angela Muir and Dr Sarah Inskip were looking into the role tobacco played in crime between 1600 and 1900 when they found repeated patterns of tobacco pipes being used as weapons, as well as improvised medical instruments.

Study on rural racism

Experts at the University of Leicester have been commissioned by The Leverhulme Trust to develop a ground-breaking study on racism in rural England, which aims to shed light on the under-acknowledged reality of the growing numbers of people from minority ethnic backgrounds living in and visiting rural spaces.

Animals' 'sixth sense' more widespread than thought

A study using fruit flies, led by researchers at the Universities of Leicester and Manchester and supported by the National Physical Laboratory, has suggested that the animal world's ability to sense a magnetic field may be more widespread than previously thought.

Road noise makes your blood pressure rise

A study involving Leicester confirms that a busy road, with the constant sound of roaring engines, honking horns and wailing sirens, can make your blood pressure rise. The new research shows that the exposure to road traffic noise can elevate hypertension risk.

Leap in lung health

Over 500 new genes have been linked to lung function for the first time, allowing scientists to better understand lung disease. The findings, from a study led by the Universities of Leicester and Nottingham, pave the way for potential new treatments to tackle conditions such as chronic obstructive pulmonary disease (COPD) and asthma.

1,800-year-old evidence of Roman worship discovered

Excavations by University of Leicester archaeologists for the Leicester Cathedral Revealed project have uncovered evidence that the site of Leicester Cathedral has been

used for worship and religious observance for nearly 1,800 years. The excavations have revealed the cellar to a Roman building within which was the base of an altar stone, leading to suggestions that the room could have been a shrine or cult room.

Chromosomes iconic X-shape answered

A team of researchers led by Professor Daniel Panne at the University of Leicester and Dr Benjamin Rowland at the Netherlands Cancer Institute have answered the 100-year-old question about how chromosomes get their iconic X-shape, by determining at a molecular level how the shape is generated during cell division.

Discovering Jupiter's icy moons

Leicester planetary scientists were among the team involved in the European Space Agency's ambitious Juice mission to explore the icy moons of Jupiter. The Juice satellite was sent skyward on an Ariane-5 rocket on a mission to explore Jupiter and three of its largest and most intriguing moons searching, among other things, for signs of life.

Mystery of vanished South African lakes solved

Research jointly led by the University of Leicester revealed new evidence for the presence of ancient lakes in some of the most arid regions of South Africa, suggesting that Stone Age humans may have been more widespread across the continent than previously thought.

AI space pilot

A computer scientist at the University of Leicester has received funding to develop a piloting system for spacecraft that uses artificial intelligence, which could potentially lead to the first AI space pilot in use. It is being developed as a potential system to control future spacecraft for servicing orbiting satellites and removing space debris.

New product to tackle Salmonella

Our scientists have successfully developed a bacteriophage product to prevent Salmonella in broiler chickens. A trial led by Dr Anisa Thanki and Professor Martha Clokie showed that the liquid product, made from bacteriophage – viruses that infect bacteria and kill them – prevented the bacterial infection developing in chickens.



ATELIER LABS PROJECT TEAM - WINNERS AT THE 2023 HEIST AWARDS

Awards and recognition

Here we celebrate a selection of the achievements of our inspiring students and staff from 2022-23.

Student achievements

Anuj Ashar an Aerospace Engineering graduate won the University Student Innovation award at the LeicestershireLive Innovation Awards which took place in February at the National Space Centre. Anuj Ashar set up Beta Booster: a platform designed to help new entrepreneurs and SME's handle the development of websites, apps and promotional content without incurring prohibitive costs. Using AI, the platform uses client information to build a comprehensive picture of the business – including information like market, goals, competitors and budget – before going on to automatically develop a custom package based on the client's budget. Beta Booster then finds the right freelancer for the project – helping businesses avoid unnecessary costs and complications.

A team made up of **Hannah Cheeseman** and **Manu Pasquette**, undergraduate students from the School of Law, came second in the UK Sports Law Negotiation Competition.

Nidhi Agarwal, Akil Khalid, Jakevir Shoker, and Zobia Wadi, fifth year Medicine Students, won a General Medical Council competition. They created an animated video that explores a few scenarios that medical students may face on clinical placement and explains how to apply the Council's medical guidance in these instances.

Ana Beatriz Almeida, School of Museum PhD student, had her artwork featured in the House of World Cultures exhibition 'O Quilombismo: Of Resisting and Insisting. Of Flight as Fight. Of Other Democratic Egalitarian Political Philosophies' in Berlin.

Joe Bedford, School of Arts PhD student, won the 'Leicester Writes Short Story Competition' and has a novel to be published by Parthian Books in 2023: A Bad Decade for Good People.

Joe Bedford was also longlisted for the inaugural Welkin Prize, a flash fiction prize which received more than 1,200 entries.

Laurie Cusack, School of Arts PhD student, will see a book of short stories be published by Roman Books next year: The Mad Road.

Sanjit Dhani, School of Business, published a book with Cass Sunstein (Harvard Law School) on "Bounded Rationality" with MIT Press.

Charlotte Fawcett, PhD student from the Department of Cardiovascular Sciences, won first prize in the Yes22 competition sponsored by GSK in the category of Best Healthcare Plan. She led, as Chief Executive Officer, a team of students who proposed the Phage Patch, a bacteriophage skin patch designed to treat patients suffering from diabetic ulcers.

Charlotte Fawcett has also been announced as runner-up of the Doctoral College Summer Showcase Three Minute Thesis competition with her presentation "Investigating the causal relationships between biological age and cardiovascular disease".

Akila Jayamaha, Distance Learning PhD student in Sri Lanka, won the Nursing Now Challenge Award for Research and received the Burdett Trust for Nursing Scholarship Award for his commitment to research and teaching.

Sabyn Javeri, School of Arts graduate, published her third book: Ways of Being: Creative Non-Fiction by Pakistani Women.

Bethan Jones, fourth year nursing student, won the Student Nurse or Midwife of the Year: Clinical Research at the Nursing Times Awards 2023.

Stefania Zardini Lacedelli, School of Museum Studies PhD student, was nominated in the 'Projects of Influence' category of the Best in Heritage 2022 for her #SonicFriday project.

Kikelomo Ladipo, PhD student, has been appointed as a Quality Assurance Agency Student Reviewer, serving on International Review Panels.

Dr Siyuan Lu, PhD graduate, School of Computing and Mathematical Sciences, who has severe cerebral palsy, completed his PhD two years early, despite several setbacks caused by the Covid-19 pandemic. He created a new AI tool that can detect Covid-19 together with his supervisor.

Dr Yao Lu, a recent PhD graduate from the School of Computing and Mathematical Sciences, was awarded the prestigious 2022 Chinese Government Award for Outstanding Self-financed Student Abroad. This award is given to graduate students studying abroad who do not receive financial support from the Chinese government. Recipients are chosen worldwide each year for their outstanding accomplishments in academia.



BETHAN JONES

Nicole Moolhuijsen, School of Museum Studies PhD student, was elected as Vice-Chair of the Board of CFA (ICOM International Committee for Museums and Collections of Fine Arts).

Tahirah Moosa, School of Computing and Mathematical Sciences, developed an interactive storytelling experience in her final year project in Creative Computing. The project was developed as part of the Culture Leicestershire scheme. *Virtual Welland Park* is currently on the Market Harborough Museum exhibition.

Tumie Ntereke, PhD student from the Leicester Cancer Research Centre, attended Parliament to present her biosciences research as part of STEM for BRITAIN.

Moyosola Oyebanji, School of Computing and Mathematical Sciences, won The Future Actuary Undergraduate of the Year Award partnered by Aon.

Sophie Owen, BA Human Resources Management and Training student, was featured in the Leicester Mercury for the work she did in the School in getting a defibrillator installed and increasing awareness of heart health.



SOPHIE OWEN

Selena Palmer, third year midwifery student, was nominated in the Unsung Hero category for support workers or students from a Black, Asian or ethnic backgrounds at the Royal College of Midwives Awards 2023.

Engineering student **Sam Raviraja**, who is currently on placement with Airbus, has been shortlisted for the Engineering Talent Awards - Engineering Student of the Year 2023 sponsored by the IET. <https://engineeringtalentawards.com/engineering-student-of-the-year-2023-shortlist/>.

A team of engineering students and recent alumni, lead by **Monica Peeris** (Team Principal) and **Kris Bell** (Technical Lead), had a successful 2023 in Formula Student. For the first time the University of Leicester car (the stunning LR02) passed all areas of scrutineering and took active part in all dynamic events. The car was an excellent all-rounder but performed particularly strongly in endurance leading to a 4th place result in that event and a 7th place overall finish in a field of 63 competitors.

A team of undergraduate and postgraduate students, along with **Dr Richard Blackburn** from the School of Chemistry, have just published their work on the impact of COVID-19 on student/staff experiences and the lessons to be learnt when designing future blended learning approaches in the *Journal of Chemical Education*.

At the Annual Winter Meeting of the Mineral Deposits Studies Group (4-6 January 2023) PhD researcher **George Stonadge** won the Rio Tinto Best Student Talk prize and MGeol student **Alex Barton** won the AMG Best Student Poster prize. George and Alex are from the School of Geography, Geology and the Environment and Centre for Sustainable Resource Extraction.

The Legal Advice Clinic/Pro Bono Society (School of Law) was shortlisted for a Best Contribution by a Law School award at the LawWorks and Attorney General Student Awards 2023.

Staff achievements

Professor Clare Anderson, School of History, Politics and International Relations, has been elected as a Fellow of the British Academy.

Professor Natalie Armstrong, Department of Population Health Sciences, was elected as a Fellow of Academy of Social Sciences.

Professor Heiko Balzter, School of Geography, Geology and the Environment, and his team at the National Centre for Earth Observation (NCEO), University of Leicester won the Innovation in Space Award for the Forest Alert system at the LeicestershireLive Innovation Awards.

Gemma Black, School of Geography, Geology and the Environment was shortlisted for Outstanding Technician of the Year at the Times Higher Education Awards in November. Gemma was nominated for her work representing University of Leicester on the Midlands Innovation Technical Managers Strategy Committee alongside her dedication and work undertaken on the Technician Commitment.

BHP Research Fellow **Dr Daryl Blanks**, School of Geography, Geology and the Environment was awarded the Halliburton Holistic Mineral System Prize by the Mineral Deposits Studies Group.

Dr Stacy Boldrick, School of Museum Studies, received recognition from the Executive Chair of the Arts and Humanities Research Council (AHRC) for her outstanding contribution to the Peer Review College, playing a critical role in providing high quality reviews, and in informing and influencing the work of the AHRC.

Professor Matthew Bown, Department of Cardiovascular Sciences, was appointed the British Heart Foundation's first-ever Chair of Vascular Surgery and was awarded nearly £900,000 to continue his pioneering heart valve research.

Professor Kimberly Brayson, School of Law, was shortlisted for the prestigious OUP Law Teacher of the Year Award 2023.

Gavin Brown CEO of the University's catering and retail partner, Leicester Services Partnership (LSP) won the prestigious Outstanding Achievement Award, at the 2023 U Dine Awards ceremony, hosted at the East Midlands Conference Centre at the University of Nottingham.

Professors Emma Bunce, Leigh Fletcher and Nigel Bannister are part of the science team for ESA's Jupiter Icy Moons Explorer (Juice), launched in April 2023, which will observe the giant gas planet Jupiter and its three large ocean-bearing moons: Ganymede, Callisto and Europa. These moons are crucial to understand if life could ever have existed beyond Earth.



PROFESSOR EMMA BUNCE

Professor Mandy Burton, School of Law, was appointed by the Office of the Domestic Abuse Commissioner to design a pilot of the Family Court Monitoring Mechanism.

The School of Business received Athena Swan Bronze accreditation this year.

Dr Paul Campbell, School of Media, Communication and Sociology, was named in the Football Black List 2022, placing him among the most influential black figures and positive role models in British football.

Professor James Chapman, School of Arts, had a book published by Edinburgh University Press: *The Money Behind the Screen*.

Professor Richard Craggs, Dean of Personal Tutoring, School for Computing and Mathematical Sciences, was appointed as Lead Academic Assessor for the Office for Students.

Dr Roy Crole, School of Computing and Mathematical Sciences, was elected a Fellow of the Institute of Mathematics and its Applications in April 2023

Professor Hongbiao Dong, School of Engineering, was made a Fellow of the Royal Academy of Engineering.

Dr Paul Campbell and Professor John Goodwin, School of Media, Communication and Sociology, along with Professor Martin Halliwell, School of Arts, were elected as fellows of the Royal Historical Society.

Professor Neil Chakraborti, School of Criminology, was appointed as the founding Director of the University's new Institute for Policy.



MAXINE CHAPMAN

Maxine Chapman, School of Healthcare, was named as Unsung Hero for Midwives or Higher Education staff from a Black, Asian or Ethnic background at the Royal College of Midwives Awards 2023.

Dr Marianne Hem Eriksen, School of Archaeology and Ancient History, was awarded a prestigious Philip Leverhulme Prize and was among five winners nationally to win the prize for Archaeology.

Dr Eriksen has also been selected as one of ten BBC New Generation Thinkers 2023.

Professor Martin Halliwell, School of Arts, had a book pushed by Edinburgh University Press: *The Edinburgh Companion to the Politics of American* and also secured a prestigious Visiting Scholar Fellowship at Princeton University from August to December 2022.

Professor Sandeep Handa, School of Chemistry, was appointed as one of 40 national panel members for the Teaching Excellence Framework.

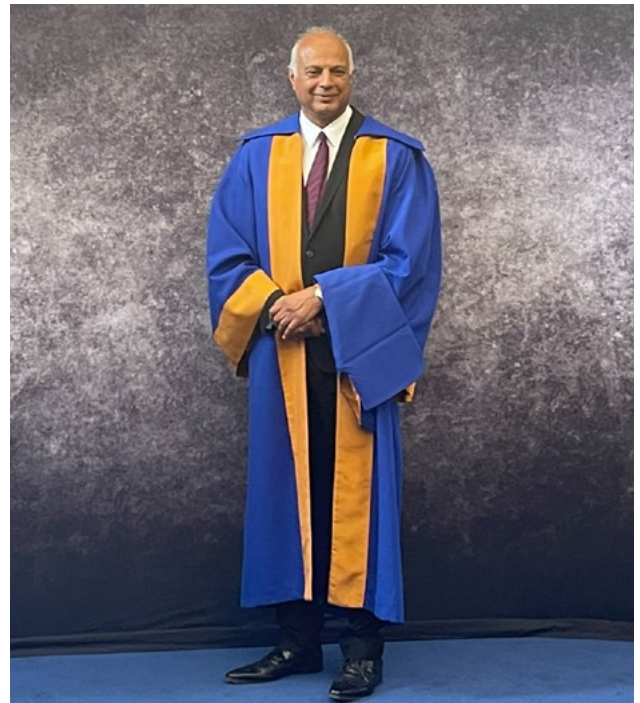
Professor Rob Hillman, School of Chemistry, and his research on knife crime prevention (conducted in collaboration with DMU) was highlighted in the House of Commons by Andrew Slaughter MP.

Dr Sarah Inskip, School of Archaeology and Ancient History, was awarded a prestigious Philip Leverhulme Prize and was among five winners nationally to win the prize for Archaeology.

Dr Mohamed Kenawi, School of Archaeology and Ancient History, had a book published: *Gara: A Forgotten Oasis in Egypt's Western Desert*.

Professor Kamlesh Khunti, Leicester Diabetes Centre, was presented with the Commander of the Order of the British Empire (CBE) by His Majesty The King after being named in the New Year's Honours List.

Professor Khunti CBE was also awarded an honorary degree from the University of Dundee which is the university he graduated from as a doctor in 1984.



PROFESSOR KAMLESH KHUNTI

Professor David Lambert, Department of Cardiovascular Sciences, was awarded an Honorary Fellowship by the Faculty of Pain Medicine of the Royal College of Anaesthetists.

Professor Jayne Marshall, School of Healthcare, was awarded the Chief Midwifery Officer's Gold Medal for midwifery excellence.

Dr Helen McIntyre, School of Healthcare, won the Midwife Education Trailblazer Award at the 2023 Midlands Maternity and Midwifery Festival.

Professor Andre Ng, Department of Cardiovascular Sciences, was elected to take on the prestigious role of President at the British Cardiovascular Society. Professor Ng will be President-Elect for the next 12 months before a three-year tenure as President of the society.

Professor Henrietta O'Connor, Head of the College of Social Sciences, Arts and Humanities, was appointed Provost and Deputy Vice-Chancellor, taking up the role from 1 August 2023.

Dr Fabrizio Ortu, School of Chemistry, was awarded a grant from the Royal Society of Chemistry Outreach Fund. The grant will fund a Chemistry Summer School delivered at the School of Chemistry this summer.

Dr Tess Osborne, School of Geography, Geology and the Environment, new book 'A Research Agenda for Digital Geographies' was published brings together international scholars discussing the emerging issues and opportunities in the field (including robots, the metaverse, blockchain and cryptocurrencies).

Professor Sergey Piletsky, School of Chemistry, was awarded the Macro Group UK Medal 2023. This is awarded to a UK-based scientist who has made a significant and substantial contribution to the development of polymer science through their scientific achievements and/or services to the UK polymer science community.

Technicians Dipak Raval, School of Engineering, and Ed Thomas, School of Geography, Geology and the Environment, were shortlisted for a Papin Prize – the UK's only award dedicated to celebrating technical excellence and innovation in HE.

Led by Director **Professor John Remedios** the National Centre for Earth Observation (NCEO), hosted by the University of Leicester, celebrated 15 years of achieving transformational Earth Observation Science to understand our changing planet and fight climate change.

Dr Claire Robinson, School of Healthcare, was awarded an MBE for services to forensic investigation as part of the King's Birthday Honours.

Professor Sir Nilesh Samani, Department of Cardiovascular Sciences, was ranked 52nd in the United Kingdom in Research.com's 2022 Ranking of the Best Scientists in the World.

Professor John Smellie, School of Geography, Geology and the Environment, was awarded his second Polar Medal by King Charles III for outstanding achievement and service to the UK in the field of polar research.

Dr Emma Staniland, School of Arts, had a book published by Routledge: *Women and Water*.

Dr David Strachan-Morris, School of History, Politics and International Relations, was made a Fellow of the Institute of Strategic Risk Management.

Professor Sarah Tarlow, School of Archaeology and Ancient History, launched her new Book Archaeology of Loss with Picador at the University.

Dr Rachel Winter, Leicester Medical School, won the Royal College of Psychiatrists Higher Psychiatric Trainee of the Year Award 2022.

Dr Rich Whitaker, School of History, Politics and International Relations, was one of three UK academics to be seconded to Parliament as a Thematic Research Lead.

Dr Claire Wood, School of Arts, took home the Research Project of the Year: Arts, Humanities and Social Sciences trophy at the eighteenth annual Times Higher Education Awards.



DR CLAIRE WOOD

The University of Leicester claimed a Gold Award at the 2024 HEIST Awards in the 'Best Widening Participation Initiative' category for the Atelier Labs project - A collaboration between Attenborough Arts Centre Learning team's flagship SENSory Atelier programme, our Outreach team and the School of Chemistry, Atelier Labs works with nine SEND (special educational needs and disabilities) schools in Leicestershire.

The University of Leicester gained recognition from the UK Committee for UNICEF (UNICEF UK) Baby Friendly Initiative (BFI) for the high levels of training in breastfeeding provided to students on its undergraduate Master in Science (MSci) Midwifery with Leadership course.

Financial review:

Our results for the year

We generated £22.7 million (2021-22: £42.0 million) of operating cash flows in the year, reducing as a result of continued challenges of our operating environment. Periodically we have made use of our revolving credit facility (RCF), which is key in providing us with additional liquidity alongside internally generated funds for short term operational purposes. This facility was not required at year end however, with our year end cash balance amounting to £22.4 million. This is sufficient to meet the current operational cash needs of the University.

With more than adequate access to cash we have not triggered and do not forecast triggering the Office for Students reportable event threshold of falling below the equivalent of 30 days liquidity in the next 12 months.

We achieved a consolidated surplus of £3.0 million (2021-22: £10.0 million) before movement on USS pension provision; the largest single increase within non-pay expenditure was utility costs, demonstrating the financial challenges facing the sector and economy. Income increased by 8.5% year on year, after a 7.4% increase in the prior year, largely driven by increased student numbers exceeding targets, increasing accommodation income, and an increase in research grant funding.

The increase in activity, responses to increased student numbers and inflationary pressures have inevitably led to increased non-pay operating expenditure, increasing 11.2% before movement on USS pension provision.

In terms of our statement of financial position, the largest movements have been between current and non-current liabilities, which is largely related to the re-profiling of our bank loans.

	2022/23	2021/22
	£m	£m
Operating cash flows	22.7	42.0
Investing cash flows	(23.1)	(23.5)
Financing cash flows	(12.1)	(59.3)
Net cash flows	(12.5)	(40.8)
Cash and cash equivalents	22.4	35.0
Income	369.0	340.2
Expenditure before USS pension movement	367.1	(330.0)
Surplus before other gains and USS pension movement	1.9	10.2
Other gains/(losses)	1.1	(0.2)
Surplus for the year before USS pension movement	3.0	10.0
USS pension movement	9.1	(69.7)
Surplus/(deficit) for the year before tax	12.1	(59.7)
Non-current assets	509.3	514.2
Current assets	72.4	87.0
Current liabilities	(143.8)	(193.4)
Non-current liabilities	(231.6)	(197.2)
Provisions	(119.0)	(133.2)
Total net assets	87.3	77.4

Capital investment

We have invested £31 million (2021-22: £37 million) in our physical and digital infrastructure. The completion of our Freeman's Common Village, plus significant maintenance expenditure on both our residential and non residential estate were the primary physical infrastructure investments, in addition to spend on our High Performance Computing and network infrastructures.

Pension schemes

We hold two pension provisions on our Statement of Financial Position in relation to the University of Leicester Pension and Assurance Scheme (PAS) and the Universities Superannuation Scheme (USS). At 31 July 2023 the PAS provision was £21 million, a reduction of £1 million from the prior year, this being the net effect of gains from discount rate changes and losses from returns on scheme assets. The USS provision was £98 million, a reduction of £12 million from the prior year, largely as a result of discount rate changes linked to changes in the economic environment. Uncertainty regarding the funding of the USS pension scheme as a sector continues to be a risk but the early signs from the 2023 valuation are encouraging. More information can be found in notes 19 and 30.

Student numbers

In 2022-23 we had 20,699 students studying with us, an increase of 724 students (4%) from the prior year driven by an increased undergraduate intake. The distribution of students* in 2022-23 was:

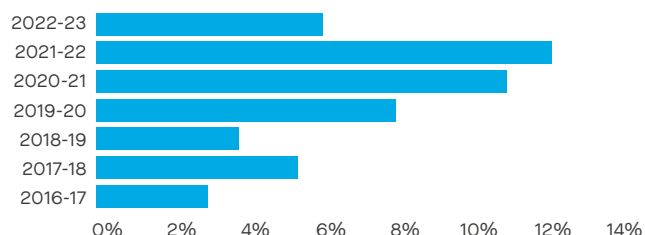


*Student census data as at 1st December.

Postgraduate registrations in January 2023 resulted in an additional 297 students of which 280 were international students.

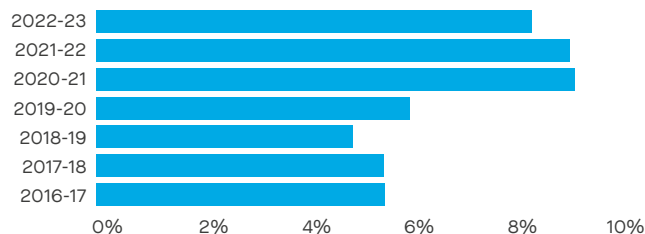
Our key performance indicators

Operating cash flow as a percentage of income



There was a net cash inflow of £22.7 million from operating activities during the year compared to £42 million in the previous year, a decrease of £19.3 million. This was largely due to increased staff costs and inflationary pressures causing non-pay expenditure to increase at a higher rate than income. As a result, operating cash flow as a percentage of income was 6.1% which fell short of our target of 10%.

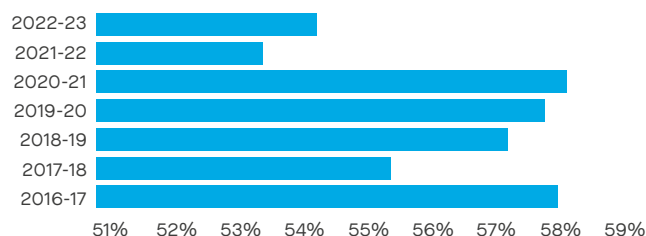
EBITDA* as a percentage of income



*EBITDA is a measure of surplus: earnings before interest, tax, depreciation and amortisation. This has also been adjusted for the release of deferred capital grants and the change in USS pension provision.

EBITDA remained in line with the prior year at £31.1 million. EBITDA as a percentage of income however dropped from 9.2% in the prior year to 8.4%, again demonstrating the impact of increases in pay and non-pay expenditure above that of the increase in income.

Staff cost as a percentage of income



Staff costs increased by £18.6 million (10%) from the prior year to £201 million as a result of pay bargaining and an 8% increase in FTEs. Staff costs as a percentage of income increased from the prior year 53.6% to 54.5%, but continues to remain below the sector average of 55%.

Our future outlook and going concern

As the University enters its second century, it faces a difficult operating environment. Continued inflationary pressures particularly on our utilities and staffing costs will impact working capital and liquidity levels. Recent experience has demonstrated the University is able to respond to financial risks by adapting to the operational circumstances and prioritising financial resilience to maintain this moving forward. This has been supported by placing staff and students at the heart of decision making.

The University's strategy has three strategic aims: Research-Inspired Education, World-Changing Research and Our Citizens. To compete with the best in research, we need to continue to invest in people (staff, early career researchers, PGRs) and infrastructure (equipment, pump-priming funds, matched funding for bids). We also need to invest in our education and student life to enhance the experience we offer to our students. To improve educational outcomes, we need to invest in our teaching staff, manage staff workload and invest in our educational infrastructure (learning platforms, student wellbeing support, employability outcomes).

We enter the 2023-24 financial year with one of the largest student intakes in many years. This growth is forecast in the number of both UK and international undergraduate students and a similar number of

international postgraduate students where the demand to study our programmes has remained very strong in line with previous years. Research activity and income is also forecast to grow in the forthcoming year, as the University builds upon research funding awards.

We are forecasting operating cash as a percentage of income at approximately 10% every year (an improvement versus 2022-23 at 6%) whilst also delivering a focused capital expenditure programme building on the recent investment in improving our campus. Cash balances are also forecast to grow to 8.2% of income for 2023-24 rising to 12.0% for 2024-25.

The focus on planning and mitigations has enabled the Council to thoroughly assess our outlook as a going concern. In the 2023-24 financial year income is forecast to be £402 million with operating cash as a percentage of income of 9.6%. This balances resource for expected growth in student numbers against generating the cash we need to support our operations. The most obvious threats to remaining a going concern are breach of lending covenants and/or running out of cash. We are forecasting to be compliant with all lending covenants in 2023-24 and maintain a resilient monthly cash balance to aid the University withstanding unforeseen downsides on performance.

The Council has carefully reviewed these forecasts, particularly the next two years, with thorough downside risk assessments and stress testing, in order to confirm that it has reasonable expectations that the University has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing the accounts.

The Council obtains assurance in this area through its regular reviews of the University's performance using a number of key performance indicators in areas that are relevant to the University's sustainability.



Other risks and opportunities

There are a number of factors impacting on the University's strategic position as noted in our risk register. Our key financial risks and opportunities, aside from those already addressed are:

RISKS

- Inflation is a continual issue. The tuition fee for UK undergraduates being set at £9,000 in 2012, rising to £9,250 in 2017, has not mirrored inflation. Costs and prices are now 50% higher as per the Retail Price Index, meaning the real terms value of the fee had fallen to £6,000 in July 2023.
- International student recruitment in respect of immigration policy, reliance on key markets and student engagement and attainment levels.
- Changes in the higher education funding landscape and the wider economy.

OPPORTUNITIES

- A number of international projects are opportunities for financial growth, particularly through the partnerships developed in China and India.
- Local project financial growth opportunities include Space Park Leicester, the Freeman's Common student accommodation development and also our Botanic Gardens where we are planning a Levelling Up bid to develop the site.
- The University's first major fundraising campaign, will see the launch of the silent phase in 2023/24. A comprehensive, multi-year campaign with an ambition to raise £100m, '2121: Founders of the Future' will mark a new era for philanthropy at Leicester, as it looks to secure a second century of change for the institution.





Public benefit statement

We are a university founded by the community for the community. As we settle into our second century, we have continued to stand by this founding principle.



THE LAUNCH OF THE RESEARCH INSTITUTES

We have bolstered our close partnerships with local authorities, businesses, schools and charities to benefit the community – at a local, regional, national and international level.

Launching five New Research Institutes

We have launched five ambitious new Research Institutes to tackle the most pressing challenges facing the world, from the climate crisis, future-proofing the cultural sector, harnessing the potential of space, and researching new and current threats to our health. These institutes will not only grow, develop and build critical mass in our world-changing research, but will look to solve global challenges and make the world a better place.

Space Park Leicester moving from strength to strength

In March 2023, on the one-year anniversary of Space Park Leicester – the city's pioneering £100 million space and innovation hub – a new Space City cluster launched. This created one of the largest and most connected Enterprise Zones for space-related activities in the UK.

During its first year, Space Park Leicester has landed five major foreign direct investments, created 125 new jobs and hosted more than 200 events and visits. Over 20 leading organisations with a wealth of experience collaborating with industry and public sector bodies, both in the UK and globally, now reside at Space Park Leicester, including Rolls Royce and Airbus.

Space Park Leicester will be a cornerstone of Leicester's Space City cluster, dedicated to space research, production, manufacture and development, and placing Leicester as a key part of the UK's Space Spine. Representing up to £233 million of investment, the Space City partnership includes Space Park Leicester, University of Leicester, DOCK, National Space Centre, Leicester City Council, and the Leicester and Leicestershire Enterprise Partnership (LLEP).

Ongoing partnership work

Last year we signed an historic agreement – called the Universities Partnership – to work together with De Montfort University, Loughborough University, and a number of local authorities to drive economic growth and tackle social challenges across the region. A prime example of the value of this partnership is the pioneering Leicester Graduate City Programme, a joint initiative between Leicester City Council, De Montfort University and the University of Leicester which launched in March 2020. Co-funded by the European Social Fund, this unique partnership focuses on enhancing the retention of graduates within the City of Leicester. Over 1,000 students and 614 employers have engaged in the project over the past three years. In the last year of funding, the programme was merged with the University's Citizens of Change Internship Programme to support 48 interns undertaking a six-week internship across 33 organisations located in Leicestershire.

Widening participation and outreach in schools

We recently signed an official agreement to launch an IntoUniversity centre in Leicester. The project is an exciting new collaboration between the University of Leicester, De Montfort University and education charity IntoUniversity, based upon a shared concern for children growing up in poverty and a belief in the power of education to transform young people's lives. The centre will play a key role in helping young people from disadvantaged backgrounds across Leicester to reach their full potential by inspiring them to achieve.

The University also supported over 500 students on one of our Year 12 Progression Programmes

including Realising Opportunities, Pathways to Law and AccessLeicester: STEM, all of which are aimed at supporting students from underrepresented groups into Higher Education. We also welcomed over 200 Year 10, 11 and 12 students from underrepresented backgrounds to our residential summer schools which provide a genuine insight into life as a student at Leicester.

As part of the Department of Physics and Astronomy's Education and Outreach programme, 80 Year 10, 11 and 12 students took part in a two-week work experience placement which included research activities in astrophysics, space science, planetary surfaces, detector physics, and much more. The programme involved a mission planning session, a tour of Space Park Leicester, and science communication workshops at the National Space Centre. Of the students who participated, 50% were female, 57% were from an ethnic minority background and 85% met the University's widening participation criteria.

Summer events programme

This year the University's College of Life Sciences, Attenborough Arts Centre and the Friends of the Botanic Garden collaborated to host a jam-packed summer events programme for the benefit of the community. Highlights of the programme included Indian dancing presented by Sajan Oedra, a talk by Antique Roadshow expert Lars Tharp, a plant sale and family day, as well as an open-air production of Shakespeare's Twelfth Night at the Botanic Garden in Oadby.



BOTANIC GARDEN PLANT SALE AND FAMILY DAY

Corporate governance

For the year ended 31 July 2023

The University conducts its affairs in accordance with the Higher Education Code of Governance and the Higher Education Senior Staff Remuneration Code, both published by the Committee of University Chairs (CUC), and with the seven Principles of Public Life enunciated by the Nolan Committee in 1995.

Summary of the University's Structure of Corporate Governance

THE COUNCIL

The Council is the supreme governing body of our University. It has 20 members, comprised of a mixture of ex-officio, appointed and elected persons – the majority of whom are independent lay members appointed by Council itself – and student representation. The lay members must be in a majority at all formal meetings of Council. The role of the Chair of Council is separated from that of our Chief Executive and Accountable Officer, the President and Vice-Chancellor. Council's powers are set out in our Statutes and Ordinances and in Council's Statement of Primary Responsibilities, and are consistent with our accountability obligations to the Office for Students (OfS).

Council is responsible for agreeing the ongoing strategic objectives of our University, and for monitoring our progress against these. It receives regular reports from its committees on the operation and performance of our University and its subsidiary companies, and reviews its own effectiveness every four years. Unreserved minutes from Council meetings are available on our website:

[le.ac.uk/about/who-we-are/governance/council/minutes](https://www.le.ac.uk/about/who-we-are/governance/council/minutes)

In the financial year 2022-23, the standing Committees of Council were as shown in the structure diagram on page 40 and included its four key compliance committees covering Audit and Assurance, Finance and Infrastructure, Nominations and Remuneration matters.

All committees are formally constituted with published terms of reference. All include some members drawn from the lay membership of Council, with the facility for additional external lay members to be appointed if required. In addition to the standing committees, the Council also receives reports as required from the Executive Board, which is the University's senior management team. Council and its committees undertake regular reviews of their terms of reference

and membership, to ensure that they remain relevant and appropriate and that their responsibilities are discharged effectively.

AUDIT AND ASSURANCE COMMITTEE

On behalf of Council, the Audit and Assurance Committee provides oversight of the University's risk management, control and governance arrangements, and the arrangements to provide economy, efficiency and effectiveness. It also advises Council on the University's internal and external audit arrangements and audit aspects of the financial statements. This includes assessing the effectiveness of internal and external audits and ensuring objectivity and independence are safeguarded. It conducts its affairs in accordance with the Higher Education Audit Committees Code of Practice published by the CUC.

The Audit and Assurance Committee is made up solely of lay members of Council and other external lay members, who are co-opted for their expertise. University officers attend meetings of the Audit and Assurance Committee, where required, but they are not allowed to be members of the Committee. No member of the Audit and Assurance Committee may also be a member of the Finance and Infrastructure Committee. At each of its scheduled meetings, the Audit and Assurance Committee holds a private session with the internal and external auditors, for independent discussions, as necessary.

FINANCE AND INFRASTRUCTURE COMMITTEE

The Finance and Infrastructure Committee is responsible for recommending to Council the University's annual financial statements, financial forecasts and annual budgets and subsequent budget monitoring in year. The Committee also provides oversight of and advice on matters relating to the financial position of the University including overall financial strategy, and of matters relating to the University's estates and digital infrastructure. The Committee delegates authority to the Investments Committee to approve and monitor the University's strategy for, and performance of, endowed funds and investments.

NOMINATIONS COMMITTEE

On behalf of Council and Court, the Nominations Committee provides oversight and advice on matters relating to the lay membership of Council, the Standing Committees of Council and Senate, and Court, as specified in the University's Statutes and Ordinances. The Committee is also responsible for considering and making recommendations on any general matters of

governance and procedure referred to it by the Council, including the effectiveness of governance arrangements.

The Nominations Committee reflects regularly on the balance of relevant knowledge, experience and skills amongst the membership of Council and committees, including their diversity. In 2022/23 the Committee considered the appointment of new lay members of Council, and considered the completion of all agreed actions for improvement arising from a Council Effectiveness Review held in 2021/22.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for considering and reporting annually to the Council on the remuneration governance of the President and Vice-Chancellor, Executive Board members and staff earning a full time equivalent salary of more than £150k per annum. The committee is also responsible for remuneration of severance packages for staff earning a full time equivalent salary of more than £100k per annum.

The membership of the Remuneration Committee is comprised solely of independent lay members, including the Chair of Council and the Treasurer. Senior officers are not and have never been permitted to be present at the Committee for any discussions affecting their own personal position. The Committee is chaired by the Chair of Council, except when it is considering the remuneration of the President and Vice-Chancellor, when the Treasurer takes the chair.

In compliance with the requirements of the CUC Higher Education Senior Staff Remuneration Code an Annual Remuneration Committee Report is presented to Council and published on the University's website.

In addition to the Remuneration Committee there is a completely separate Senior Staff Pay Committee, chaired by the President and Vice-Chancellor.

PEOPLE, EDI (EQUITY, DIVERSITY AND INCLUSION) AND WELLBEING COMMITTEE

The People, EDI and Wellbeing Committee is the prime mechanism through which the Council seeks oversight and assurance that the University has appropriate and effective processes and people in place to deliver the people, equity, diversity and inclusion (EDI) and wellbeing objectives and performance indicators, as set out in its Strategic Plan.

The Committee advises Council on strategic decisions relating to the workforce and, as appropriate, provides assurance to Council on equity, diversity and inclusion matters (including the Access and Participation Plan),

provides assurance to Council on matters relating to staff and student wellbeing and monitors progress against the delivery of the relevant elements of the University's Strategy. The Committee's role includes the consideration of key strategic initiatives, making recommendations to Council as appropriate.

INTERNAL CONTROL

Council is responsible for maintaining our University's ongoing system of internal control and for reviewing its effectiveness. This is a risk-based system designed to identify and manage, rather than eliminate totally, the risk of failure to achieve financial, business, operational and compliance objectives, and provides reasonable but not absolute assurance against material misstatement or loss.

Council has approved a comprehensive risk management policy and reporting procedure for our University, which is reviewed regularly and updated as required in response to changes in the risk environment. It is underpinned by supporting policies and procedures, contained within our Financial Regulations and Whistleblowing Policy, on the prevention of bribery and corruption, responses to fraud, anti-money laundering, and the acceptance of gifts and hospitality.

The University's Executive Board receives regular reports setting out key performance and risk indicators and considers possible control issues brought to its attention by senior managers in the operational units. The Executive Board and the Audit and Assurance Committee also receive regular reports from the internal auditors (PricewaterhouseCoopers), which include any necessary recommendations for improvement.

PROFESSIONAL DEVELOPMENT

The Chairs of Council and the Standing Committees of Council are responsible for addressing the development needs of each committee, with a view to enhancing their effectiveness. An annual programme of activity, including resources and dedicated development sessions, has been developed to support and refresh the knowledge and skills development of committee members.

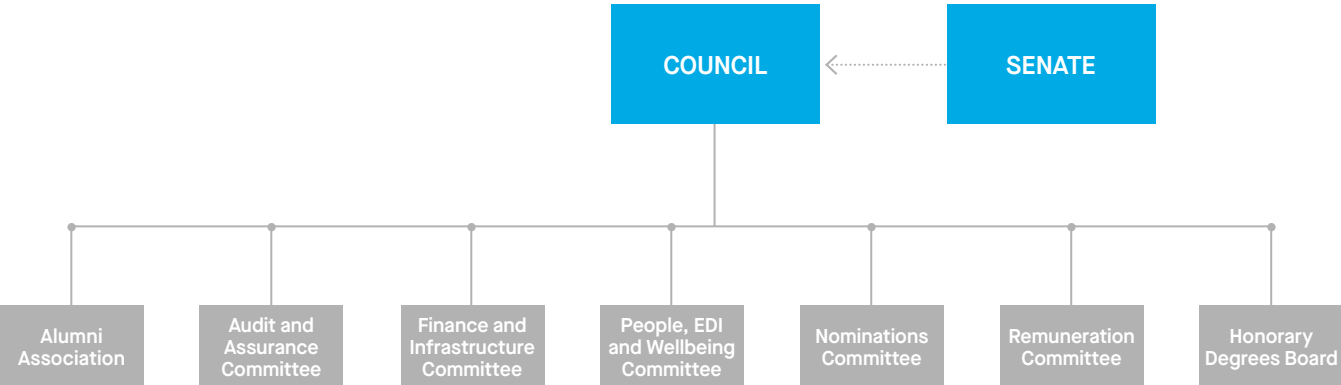
ATTENDANCE MONITORING

As part of Council's ongoing commitment to the efficiency and transparency of its activities the attendance record of its members at meetings of Council and the Audit and Assurance, Finance and Infrastructure, Nominations and Remuneration committees is published within the University's financial statements. The attendance record for meetings held in 2022-23 is shown in the table on page 41.

Corporate governance

Continued

STANDING COMMITTEES OF COUNCIL



Attendance at key university compliance committees of which they were members during 2022-2023

	Council		Audit and Assurance Committee		Finance and Infrastructure Committee		Nominations Committee		Remuneration Committee	
	Eligible to Attend	Actually Attended	Eligible to Attend	Actually Attended	Eligible to Attend	Actually Attended	Eligible to Attend	Actually Attended	Eligible to Attend	Actually Attended
George Acquah (Lay)	5	2	5	4						
Huw Barton (Staff) (until 31 July 2023)	5	4								
Liz Blyth (Lay) (from 1 January 2023)	3	3								
Craig Brown (Lay) (until 31 March 2023)	3	2								
Edmund Burke (Staff) (until 31 August 2022)										
Nishan Canagarajah (Staff)	5	5			5	5	4	4		
Martin Cullen (Lay)	5	5	5	3			4	3		
Sophie Dale-Black (Lay)	5	4					4	4	2	2
Gary Dixon (Lay)	5	5			5	3	4	4	2	2
Cathy Ellis (Lay)	5	5			5	4				
Rhiannon Jenkins (Students' Union) (until 30 June 2023)	4	3			5	5				
Ian Johnson (Lay) (until 31 July 2023)	5	3			5	4	4	2	2	2
Kerry Law (Staff) (from 1 December 2022)	4	3			5	5				
Rishi Madlani (Lay)	5	5								
Azam Mamujee (Lay) (until 31 March 2023)	3	2			3	2				
Catherine Morley (Staff)	5	4								
Kevin Nagle (Lay)	5	5			5	4				
Mark Purnell (Staff)	5	4								
Archie Robinson (Students' Union) (from 1 July 2023)	1	1								
Vijay Sharma (Lay)	5	4					4	3	2	2
Jacqui Shaw (Staff)	5	4								
Richard Tapp (Lay)	5	5	5	4						

Council: 19 October 2022, 14 December 2022, 8 March 2023, 10 May 2023, 5 July 2023.

Audit and Assurance: 20 September 2022, 30 November 2022, 14 February 2023, 18 April 2023, 13 June 2023.

Finance and Infrastructure: 22 September 2022, 28 November 2022, 16 February 2023, 2 May 2023, 20 June 2023.

Nominations: 21 September 2022, 2 February 2023, 12 June 2023, 25 July 2023.

Remuneration: 28 October 2022, 19 December 2022.

Responsibilities of the Council of the University of Leicester

For the year ended 31 July 2023

The Council of the University of Leicester is responsible for the administration and management of the affairs of the Institution in accordance with its Statutes and Ordinances.

During 2022-23, the primary responsibilities of the Council were as follows:

- To set and agree the mission, strategic vision and values of the University, with the Executive.
- To agree long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders, especially staff, students and alumni.
- To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions.
- To delegate authority to the President and Vice-Chancellor, as Chief Executive and Accountable Officer, for the academic, corporate, financial, estate and human resource management of the University. 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 President and Vice-Chancellor.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangement and procedures for handling internal grievances and for managing conflicts of interest.
- To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
- 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.
- To safeguard the good name and values of the University.
- To appoint the President and Vice-Chancellor as Chief Executive and Accountable Officer, on the recommendation of a joint Committee of Council and Senate, and to put in place suitable arrangements for monitoring their performance.
- To appoint the Registrar and Secretary, on the recommendation of a joint Committee of Council and Senate, who will be Secretary to the Council. The Council will ensure that appropriate arrangements are in place to maintain a separation of the Registrar and Secretary's managerial responsibilities in the University, with direct accountability to the President; and Vice-Chancellor, and as Secretary to the Council, with direct accountability to the Chair of Council and Council members.
- To be the employing authority for all staff in the University and to be responsible for ensuring that an appropriate human resources strategy is established.
- To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
- To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equity, diversity and inclusion.
- To receive assurance that adequate provision has been made for the general welfare of students.
- To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
- To ensure that the University's Charter, Statutes and Ordinances are followed at all times and that appropriate advice is available to enable this to happen.

- To promote a culture which supports inclusivity and diversity across the University.
- To maintain and protect the principles of academic freedom and freedom of speech legislation.
- To ensure that students and staff have opportunities to engage with the governance and management of the University.

The Council is required to present audited financial statements for each financial year and is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institution and enable it to ensure that the financial statements are prepared as set out in the Statement of principal accounting policies on page 49 and give a true and fair view of the state of affairs of the Institution.

The Council must ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable UK law and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Council has reviewed the Institution's financial forecasts for the period to 31 July 2026, prepared under the direction of the OfS and based on assumptions made as to the continuance of government grants to be given by the OfS. On that basis, Council has a reasonable expectation that the Institution has adequate resources for the next 12 months to continue its operations for the foreseeable future. For this reason, the financial statements continue to be prepared on the going concern basis.

The Council has taken reasonable steps to:

- have a robust and comprehensive system of risk management, control and corporate governance. This includes arrangements for the prevention and detection of corruption, fraud, bribery and irregularities;
- plan and manage its activities to remain sustainable and financially viable;
- inform the OfS of any material change in its circumstances, including any significant developments

that could impact on the mutual interests of the Institution and the OfS;

- use public funds for proper purposes and seeks to achieve value for money from public funds;
- secure the economical, efficient and effective management of the Institution's resources and expenditure; and
- comply with the mandatory requirements relating to audit and financial reporting, set out in the OfS Audit Code of Practice and in the OfS annual accounts direction (see page 49).

The key elements of the Institution's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- a medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of financial results including variance analysis and forecast updates;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to appraisal and review according to approved levels set by the Council;
- comprehensive Financial Regulations, detailing financial controls and procedures and the responsibilities of budget holders, approved by the Finance Committee; and
- a professional internal audit team whose annual programme is approved by the Audit Committee and is endorsed by the Council. The internal audit manager provides the Council with an annual report on internal audit activity within the Institution and an opinion on the adequacy and effectiveness of the Institution's system of internal control, including internal financial control.



**SIGNED FOR ON BEHALF OF THE COUNCIL
DR SOPHIE DALE-BLACK, VICE-CHAIR OF COUNCIL
12 DECEMBER 2023**

Members of Council

The Members of Council who served in the 2022-23 financial year, and up to the date of the signing of this report, were as follows:

- George Acquah
- Huw Barton (until 31 July 2023)
- Craig Brown (until 31 March 2023)
- Edmund Burke (until 31 August 2022)
- Nishan Canagarajah
- Martin Cullen
- Sophie Dale-Black
- Gary Dixon
- Cathy Ellis
- Rhiannon Jenkins (until 30 June 2023)
- Ian Johnson (until 31 July 2023)
- Kerry Law (from 1 December 2022)
- Rishi Madlani
- Azam Mamujee (until 31 March 2023)
- Catherine Morley
- Kevin Nagle
- Mark Purnell
- Vijay Sharma
- Jacqui Shaw
- Richard Tapp

New appointment from 1 January 2023:

- Liz Blyth

New appointment from 1 July 2023:

- Archie Robinson

New appointments from 1 August 2023:

- Mehmooda Duke
(Re-appointed for a final term after a one year agreed term of absence)
- Gabrielle Provan

New appointments from 1 September 2023:

- Lauren Bartlett
- Jack Chambers

Registered Office

The Institution of The University of Leicester is registered with the Office for Students in England. The address of the registered office is:

The University of Leicester
University Road
Leicester
LE1 7RH

Entity number: RC000659



Independent Auditor's Report

To the members of the Council of the University of Leicester

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's 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.

We have audited the financial statements of University of Leicester ("the University") and its subsidiaries (the "Group") for the year ended 31 July 2023 which comprise Consolidated and institution statement of comprehensive income, the Consolidated and institution statement of changes in reserves, the Consolidated and institution statement of financial position, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) "ISAs (UK)" and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the University in accordance with the ethical requirements that are

relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The Council is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the members of the Council of the University of Leicester

Continued

OTHER COMPANIES ACT 2006 REPORTING

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

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

In the light of the knowledge and understanding of the Group and 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.

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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the board was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

OPINION ON OTHER MATTERS REQUIRED BY THE OFFICE FOR STUDENTS ("OFS") AND UK RESEARCH AND INNOVATION (INCLUDING RESEARCH ENGLAND)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.

- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

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

RESPONSIBILITIES OF COUNCIL

As explained more fully in the Responsibilities of the Council statement, the Council members (who are also the directors of the University 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 Council 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 Council members are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance, internal legal council and the audit and assurance committee
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer; and
- Review of correspondence with relevant regulatory bodies

We considered the significant laws and regulations to be the OfS Account direction, Financial Reporting Standard 102 (FRS102), the Statement for Recommended Practice (SORP), Financial Conduct Authority rules and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be those mentioned above in addition to General Data Protection Regulation, employment laws and Competition and Markets Authority (CMA) rules.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Discussions with management and Audit and assurance committee, including consideration of known or suspected instances of non-compliance with laws and regulations, including direct representation from the Accountable Officer

Fraud

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

- Enquiry with management and those charged with governance and the Audit and Assurance Committee regarding any known or suspected instances of fraud, including direct representation from the Accountable Officer;
- Obtaining an understanding of the Group's and University's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Reviewing items included in the fraud register as well as the results of any investigation into such matters;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Where relevant, reviewing the output of the University's investigation into suspected or actual frauds and considering the implications on our risk assessment; and

Independent Auditor's Report to the members of the Council of the University of Leicester

Continued

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including calculating the pension liabilities, the recoverability of debtors, useful economic lives of property, plant and equipment and fair value measurements; and
- Consultation with forensic experts in respect on the Group and University's fraud assessment process and the review of the fraud register.

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

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

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

USE OF OUR REPORT

This report is made solely to the Council 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 Council 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 Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Kyla Bellingall

KYLA BELLINGALL (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF BDO LLP, STATUTORY AUDITOR
BIRMINGHAM, UK

15 DECEMBER 2023

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

Statement of principal accounting policies

For the year ended 31 July 2023

1. ACCOUNTING CONVENTION

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition).

They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the OfS and the terms and conditions of Research England Grant.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

2. BASIS OF PREPARATION INCLUDING GOING CONCERN ASSESSMENT

The Consolidated and Institution financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

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

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The University Council has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the financial statements.

FINANCIAL PERFORMANCE AND 31 JULY 2023 YEAR END POSITION

In the financial year to 31 July 2023, we achieved a consolidated surplus of £3.0 million (2022: surplus of £10.0 million) before exceptional pension items for the year; the fall largely relating to increased inflationary pressures on our cost base including utilities and staff costs. As at 31 July 2023 we held consolidated net current liabilities of £71.4 million (2022: net current liabilities of £106.4 million), including gross cash of £22.4 million (2022: gross cash of £35.0 million). The reduction in cash is largely down to tuition fee aged debtor increases, phasing of deposits in line with January 2025 recruitment and holding no short term drawings from our RCF.

FORECASTING THROUGH GOING CONCERN PERIOD, INCLUDING PLAUSIBLE WORST-CASE SCENARIO AND REVERSE STRESS TESTING

The Institution has continually reassessed its latest forecast in light of the changing conditions, such as student recruitment, inflation and fiscal impacts.

The latest base case, prepared in June 2023 uses the Q3 forecast position for 2022/23. The Institution has also run a severe but plausible downside scenario. The key variables that are subject to most judgement are UK and international student tuition fees, student accommodation income and commercial revenue streams. There are also downsides included for planned asset disposals and inflationary pressures. The scenarios model the impact through to July 2025, this going concern period being beyond the customary 12 months. The base case, and plausible downside scenario, has been considered by the Council.

It is a reportable event to the OfS if an institution does not have access to a minimum liquidity level equivalent to 30 days operating expenditure, which includes a revolving credit facility (RCF). This equates to a minimum cash balance for the Institution of at least £30 million. Based on the Institution's forecast it is not at risk of breaching this requirement.

The severe but plausible downside scenario assumed further reductions in tuition fees, student

Statement of principal accounting policies

Continued

accommodation income, commercial revenue, inflationary impacts and property sales. This forecast before any mitigating actions shows a cash low point in August 2024 of £25.8 million (excluding RCF).

FINANCING ARRANGEMENTS THROUGH GOING CONCERN ASSESSMENT PERIOD

The Institution had long-term external financing arrangements totalling a balance of £113.3 million at 31 July 2023 (2022: £120.5 million). This comprised debt with European Investment Bank (EIB), private placement noteholders (Lincoln National Life and Pacific Life) and Barclays.

Since the Institution has been using an RCF with Barclays, providing additional access to liquidity of £40 million. This is an arrangement in place through to February 2025 with no drawdown being utilised as at July 2023. Based on current forecasts, the RCF funding will be needed periodically for short term operational and liquidity headroom requirements to cope with the seasonality of income streams.

The Institution has forecast its position against all existing covenants through its going concern assessment period, in particular at the year-end measurement date of 31 July 2024, 31 July 2025 and a minimum monthly cash requirement. Based on its forecast scenarios outlined above the Institution calculates minimum headroom against its most stringent covenant of £15.8 million in 2023/24 and £21.8 million in 2024/25 on operating cash.

FURTHER MITIGATING ACTIONS

The Institution will continue to maintain tight control over its expenditure and monitoring of its activities in relation to teaching and research to identify potential slippage in forecast income.

In the event of downside risks materialising, there are additional mitigations within its control that the Institution can implement, including recruitment freezes and further reductions in discretionary expenditure through the going concern period, in particular planned capital expenditure currently forecast at £30.9 million in 2023/24.

The Institution continues with access to the £40 million RCF referenced above, allowing time to plan and action these mitigations and others that it identifies, in order that the delivery of the strategic objectives can be prioritised.

CONCLUSION

The Institution has carefully considered the financial forecasting outlined above, available financing and the assessment of the reverse stress tests and forecast covenant compliance. The Council has concluded that there is reasonable expectation that the Institution and Group has adequate resources to continue in operational existence for the going concern period. Therefore, the Council continue to adopt the going concern basis of accounting in preparing the financial statements.

3. EXEMPTIONS UNDER FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

4. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Institution and all its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2023.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Institution and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the Institution's share is eliminated.

The consolidated financial statements do not include the Students' Union as the Institution does not exert control or dominant influence over decisions.

Associated companies and joint ventures are accounted for using the equity method where they are deemed to be material.

5. INCOME RECOGNITION

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract, including any staged payments due at contract milestones, have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount, income receivable is shown net of the discount.

Bursaries and scholarships are accounted for gross, with amounts recognised as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

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

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

GRANT FUNDING

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the Institution recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the Institution is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within

creditors in the Statement of Financial Position and released to income as the conditions are met.

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments.

Donations and endowments with donor imposed restrictions are recognised in income when the Institution 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 Institution is entitled to the funds.

Investment income and gains on restricted expendable endowments are recognised in the year in which they arise. Investment income and gains on permanent endowments are accounted for on a total returns basis.

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

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the Institution.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible assets, and the Institution has the power to use the capital.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. Paragraph PBE34.73(b) of IFRS 102 requires income from donations of fixed assets to be measured at the fair value of the fixed asset. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category when the Institution is entitled to receive the asset.

Statement of principal accounting policies

Continued

CAPITAL GRANTS

Government capital grants are recognised in income over the expected useful life of the asset to which the grant relates.

Other capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

6. ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the Institution's staff are the Universities Superannuation Scheme (USS) and the University of Leicester Stakeholder Scheme. A small number of staff are members of other pension schemes.

The USS is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities to Institution members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The University of Leicester Stakeholder Scheme is a defined contribution pension scheme.

DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which the Institution pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

MULTI-EMPLOYER SCHEMES

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

DEFINED BENEFIT PLANS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Under defined benefit plans the Institution's obligation is to provide the agreed benefits to current and former employees, any actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne in substance by the Institution.

The net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The Institution recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Institution is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the Institution engages independent actuaries to calculate the obligation for each scheme.

The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.

The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Institution's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 31 to the accounts.

7. EMPLOYMENT BENEFITS

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

8. FINANCE LEASES

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

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

9. SERVICE CONCESSION ARRANGEMENTS

Fixed assets held under service concession arrangements are recognised in the Statement of Financial Position at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability. Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

10. OPERATING LEASES

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

11. FOREIGN CURRENCY

Transactions in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised as surplus or deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

12. PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Certain items of land and buildings that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the Institution. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Statement of principal accounting policies

Continued

New build	50 years
Refurbishments	15 years
Fixtures and fittings	5-10 years

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

No depreciation is charged on assets in the course of construction.

It is the Institution's policy to depreciate a full year in the year of acquisition or completion and nothing in the year of disposal.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

EQUIPMENT

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

Equipment costing less than £25,000 per individual item (or group of related items) is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer equipment	4 years
Motor vehicles	4 years
Equipment acquired for specific research projects	3 years
Other equipment	4 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

IMPAIRMENT

A review for potential indicators of impairment of property, plant and equipment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, an assessment is completed and any impairment charge arising is recognised against the asset and in the Statement of Comprehensive Income.

BORROWING COSTS

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

13. HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

The Institution holds a number of collections, exhibits and artefacts, most of which have been donated to the Institution. These assets have not been capitalised, since reliable estimates of cost or value are not available at a cost that is commensurate with the benefits to the users of the financial statements.

14. INTANGIBLE ASSETS

Intangible assets purchased separately are initially recognised at cost.

Intangible assets, excluding development costs, created within the business are not capitalised and charged to expenditure in the year incurred. Website development costs are expensed as incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The useful economic lives of each intangible asset will be determined at the time it is brought into use. If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or

the expected changes in fair value recognised immediately in the surplus or deficit for the year.

15. INVESTMENTS

Investments in securities are held at fair value with movements recognised in surplus or deficit.

Investments in subsidiaries, joint ventures and associates are carried at cost less impairment in the Institution's separate financial statements.

Initial investments in spinout companies are written off.

Short-term cash deposits, with a maturity date of more than three months from the placement date, are recognised at amortised cost.

16. STOCK

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

17. CASH AND CASH EQUIVALENTS

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash includes GBP and foreign currency balances (see note 24).

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

18. PROVISIONS, COMMITMENTS, CONTINGENT LIABILITIES AND ASSETS

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the Institution a possible obligation whose existence will only be confirmed by the occurrence or otherwise

of uncertain future events not wholly within the control of the Institution. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

Capital commitments at the Statement of Financial Position date are not capitalised but detail is included in note 26.

19. TAXATION

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

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date.

Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax assets and liabilities are not discounted.

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

Statement of principal accounting policies

Continued

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The Institution's subsidiary companies are subject to Corporation Tax and VAT in the same way as any commercial organisation.

20. FINANCIAL INSTRUMENTS

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments.

Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost, the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value,

which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Derivatives, including forward foreign exchange contracts, are complex financial instruments.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

To the extent that the Institution enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured

as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The Institution does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

21. RESERVES

Reserves are classified as restricted or unrestricted.

Restricted endowment reserves include balances which, through endowment to the Institution, are held as a permanently restricted fund which the Institution must hold in perpetuity.

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

22. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

CRITICAL ACCOUNTING ESTIMATES

Recoverability of debtors

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts.

Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due. Carrying values are disclosed in note 15.

Retirement benefit obligations

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

Further details are given in note 31.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance.

Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness.

The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 13.

FAIR VALUE MEASUREMENT

The Institution recognises the following items at fair value:

- derivative financial instruments (note 15 and 18)
- endowment investments (notes 14 and 16)

The fair value measurement of these assets and liabilities utilises market observable inputs and data as far as possible.

CRITICAL ACCOUNTING JUDGEMENTS

In the process of applying the Institution's accounting policies, management have made the following critical judgements:

INCOME RECOGNITION

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially

Statement of principal accounting policies

Continued

delivered courses and training where the activities have not been fully completed at the reporting date.

New endowments and donations are recognised on an entitlement basis. Where income has been pledged in the year but cash will be received over a number of years, an analysis of the performance conditions attached to the income is undertaken. If there are no performance conditions attached to the pledged gift, and the University is in receipt of a signed gift agreement, then the total amount is recognised in the year of the pledge, along with a corresponding debtor.

Details of the amounts recognised in respect of pledged endowments are included in note 22.

UNIVERSITIES SUPERANNUATION SCHEME (USS)

Judgement is applied in determining the value and FRS 102 makes the distinction between a group plan and a multi-employer scheme.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As the Institution is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. These contributions will be reassessed within each triennial valuation of the scheme.

The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 19 and note 31.

Consolidated and institution statement of comprehensive income

Year ended 31 July 2023

Income	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Tuition fees and education contracts	1	185,913	185,913	176,752	176,752
Funding body grants	2	50,655	50,655	48,210	48,210
Research grants and contracts	4	70,345	70,345	64,043	64,043
Other income	5	60,518	59,036	48,460	47,397
Investment income	6	268	764	19	273
Donations and endowments	7	1,300	1,300	2,742	2,742
Total income		368,999	368,013	340,226	339,417
Expenditure					
Staff costs	8	200,943	198,166	182,334	180,190
Exceptional staff costs	8	(9,127)	(9,127)	69,662	69,662
Other operating expenses		127,523	128,692	117,785	118,323
Depreciation	13	33,412	33,404	28,209	28,194
Amortisation	12	621	621	503	503
Interest and other finance costs	9	4,612	4,625	1,299	1,299
Total expenditure	10a	357,984	356,381	399,792	398,171
Surplus/(deficit) before other gains		11,015	11,632	(59,566)	(58,754)
Gain on disposal of fixed assets		900	900	468	468
Gain/(loss) on investments		659	659	(625)	(625)
Share of operating loss in associate	14	(432)	-	-	-
Surplus/(deficit) before tax		12,142	13,191	(59,723)	(58,911)
Taxation		(456)	(456)	(239)	(239)
Surplus/(deficit) for the year		11,686	12,735	(59,962)	(59,150)
Other comprehensive (expenditure)/income					
Actuarial (loss)/gain in respect of pension schemes	31	(1,721)	(1,721)	30,308	30,308
Total comprehensive income/(expenditure) for the year		9,965	11,014	(29,654)	(28,842)
Represented by:					
Endowment comprehensive expenditure for the year		(966)	(966)	(272)	(272)
Restricted comprehensive income for the year		285	285	240	240
Unrestricted comprehensive income/(expenditure) for the year		10,646	11,695	(29,622)	(28,810)
		9,965	11,014	(29,654)	(28,842)
Attributable to:					
Non-controlling interest		-	-	(56)	-
Institution		9,965	11,014	(29,598)	(28,842)
		9,965	11,014	(29,654)	(28,842)
Surplus/(deficit) for the year attributable to:					
Non-controlling interest		-	-	(56)	-
Institution		11,686	12,735	(59,906)	(59,150)
		11,686	12,735	(59,962)	(59,150)

All items of income and expenditure relate to continuing activities. The notes on pages 63-95 form part of these financial statements.

Consolidated and institution statement of changes in reserves

Year ended 31 July 2023

Consolidated

Income and Expenditure Account

	Endowment £'000	Restricted £'000	Unrestricted £'000	Non Controlling Interest £'000	Total £'000
Balance at 1 August 2021	24,534	2,104	81,807	(1,419)	107,026
Surplus/(deficit) for the year	933	1,154	(61,993)	(56)	(59,962)
Other comprehensive income	-	-	30,308	-	30,308
Release of endowment and restricted funds spent in year	(1,205)	(914)	2,119	-	-
Transactions with non-controlling interests	-	-	(1,475)	1,475	-
Total comprehensive income/(expenditure) for the year	(272)	240	(31,041)	1,419	(29,654)
Balance at 1 August 2022	24,262	2,344	50,766	-	77,372
Surplus for the year	739	878	10,069	-	11,686
Other comprehensive expenditure	-	-	(1,721)	-	(1,721)
Release of endowment and restricted funds spent in year	(1,705)	(593)	2,298	-	-
Transactions with non-controlling interests	-	-	-	-	-
Total comprehensive income/(expenditure) for the year	(966)	285	10,646	-	9,965
Balance at 31 July 2023	23,296	2,629	61,412	-	87,337

Institution

Income and Expenditure Account

	Endowment £'000	Restricted £'000	Unrestricted £'000	Non Controlling Interest £'000	Total £'000
Balance at 1 August 2021	24,534	2,104	88,122	-	114,760
Surplus for the year	933	1,154	(61,237)	-	(59,150)
Other comprehensive expenditure	-	-	30,308	-	30,308
Release of endowment and restricted funds spent in year	(1,205)	(914)	2,119	-	-
Total comprehensive income/(expenditure) for the year	(272)	240	(28,810)	-	(28,842)
Balance at 1 August 2022	24,262	2,344	59,312	-	85,918
Surplus for the year	739	878	11,118	-	12,735
Other comprehensive expenditure	-	-	(1,721)	-	(1,721)
Release of endowment and restricted funds spent in year	(1,705)	(593)	2,298	-	-
Total comprehensive income/(expenditure) for the year	(966)	285	11,695	-	11,014
Balance at 31 July 2023	23,296	2,629	71,007	-	96,932

The notes on pages 63-95 form part of these financial statements.

Consolidated and institution statement of financial position

Year ended 31 July 2023


	Notes	As at 31 July 2023		As at 31 July 2022	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Non-current assets					
Intangible assets	12	2,715	2,715	1,532	1,532
Tangible assets	13	499,382	499,358	503,682	503,650
Investments	14	7,186	6,623	8,940	7,735
		509,283	508,696	514,154	512,917
Current assets					
Stock		366	366	303	303
Trade and other receivables	15	36,436	45,880	38,181	47,423
Investments	16	13,223	13,223	13,574	13,574
Cash and cash equivalents	24	22,411	22,381	34,956	34,936
		72,436	81,850	87,014	96,236
Less: Creditors: amounts falling due within one year	17	(143,830)	(143,094)	(193,364)	(192,851)
Net current liabilities		(71,394)	(61,244)	(106,350)	(96,615)
Total assets less current liabilities		437,889	447,452	407,804	416,302
Creditors: amounts falling due after more than one year	18	(231,572)	(231,540)	(197,255)	(197,207)
Provisions					
Pension provisions	19	(118,427)	(118,427)	(132,702)	(132,702)
Other provisions	19	(553)	(553)	(475)	(475)
Total net assets		87,337	96,932	77,372	85,918
Restricted reserves					
Income and expenditure reserve – endowment reserve	22	23,296	23,296	24,262	24,262
Income and expenditure reserve – restricted reserve	23	2,629	2,629	2,344	2,344
Unrestricted reserves					
Income and expenditure reserve – unrestricted		61,412	71,007	50,766	59,312
		87,337	96,932	77,372	85,918
Non-controlling interest		-	-	-	-
Total reserves		87,337	96,932	77,372	85,918

The notes on pages 63-95 form part of these financial statements.

The financial statements were approved by Council on 12 December 2023 and were signed on its behalf on that date by:

Dr Sophie Dale-Black, Vice-Chair of Council | Professor Nishan Canagarajah, President and Vice-Chancellor | Paul Gowdridge, Chief Financial Officer





Consolidated statement of cash flows

Year ended 31 July 2023

Cash flow from operating activities	Notes	July 2023 £'000	July 2022 £'000
Surplus/(deficit) before tax for the year		12,142	(59,723)
Adjustment for non-cash items:			
Depreciation	13	33,412	28,209
Amortisation	12	621	503
(Gain)/loss on investments		(659)	625
(Increase)/decrease in stock		(63)	23
Decrease/(increase) in debtors	15	2,053	(5,448)
Increase in creditors	17	1,013	24,352
(Decrease)/increase in pension provision	19	(20,305)	63,415
Increase/(decrease) in other provisions	19	78	(332)
Share of operating loss in associate	14	432	-
Dividends received from associate	14	171	-
Adjustment for investing or financing activities:			
Investment income	6	(268)	(19)
Interest payable	9	4,612	1,299
Endowment income	22	(305)	(1,523)
Gain on the sale of fixed assets		(900)	(468)
Capital grant income		(9,376)	(8,941)
Net cash inflow from operating activities		22,658	41,972
Cash flows from investing activities			
Proceeds from sales of fixed assets		2,505	1,980
Capital grant receipts		7,202	5,144
Withdrawal of deposits		-	5,000
Investment income		268	19
Payments made to acquire fixed assets		(33,382)	(34,990)
Payments made to acquire intangible assets		(1,804)	(655)
Proceeds from sales of current asset investments		2,122	-
		(23,089)	(23,502)
Cash flows from financing activities			
Interest paid		(3,532)	(1,944)
New endowments		305	2,567
Endowment payments		(1,705)	(882)
New unsecured loans		-	3,000
Repayments of amounts borrowed		(7,182)	(62,019)
		(12,114)	(59,278)
(Decrease)/increase in cash and cash equivalents in the year		(12,545)	(40,808)
Cash and cash equivalents at beginning of the year	24	34,956	75,764
Cash and cash equivalents at end of the year	24	22,411	34,956

The notes on pages 63-95 form part of these financial statements.

Notes to the accounts

Year ended 31 July 2023

1	Tuition fees and education contracts	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
	Full-time home and EU students	98,537	98,537	89,133	89,133
	Full-time international students	73,315	73,315	71,757	71,757
	Part-time students	9,728	9,728	12,016	12,016
	Research training support grant	4,333	4,333	3,846	3,846
		185,913	185,913	176,752	176,752

2 Funding body grants

Recurrent grant

Office for Students	15,840	15,840	14,606	14,606
Research England	21,353	21,353	19,389	19,389

Specific grants

Higher Education Innovation Fund	6,182	6,182	5,490	5,490
Capital grant	4,493	4,493	4,998	4,998
Other	2,787	2,787	3,727	3,727
	50,655	50,655	48,210	48,210

Capital grant comprises amounts received from the above bodies for the purposes of capital development and expenditure. Funds are held within creditors and released to income over the useful life of the asset. Of the amounts disclosed **£2.6m (2022: £3.2m)** relates to buildings and **£1.9m (2022: £1.8m)** relates to equipment.

3 Sources of grant and fee income

Grant income from OfS	16,753	16,753	15,508	15,508
Grant income from other bodies	33,902	33,902	32,703	32,703
Fee income for taught awards	173,484	173,484	163,943	163,943
Fee income for research awards	6,233	6,233	6,516	6,516
Fee income from non-qualifying courses	6,196	6,196	6,293	6,293
Total grant and fee income (notes 1 and 2)	236,568	236,568	224,962	224,962

Notes to the accounts (continued)

Year ended 31 July 2023

4	Research grants and contracts	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
	Research councils	19,146	19,146	17,640	17,640
	Research charities	9,762	9,762	8,072	8,072
	Government (UK and overseas)	24,425	24,425	22,186	22,186
	Industry and commerce	5,212	5,212	6,229	6,229
	Research capital grants	3,902	3,902	2,926	2,926
	Other	7,898	7,898	6,990	6,990
		70,345	70,345	64,043	64,043

Of the amounts disclosed as research capital grants **£3,165,174 (2022: £2,378,966)** is funded by research councils, **£nil (2022: £nil)** is funded by research charities, **£560,601 (2022: £535,858)** is funded by other government sources and **£176,087 (2022: £10,854)** is funded by other sources.

5 Other income

Residences, catering and conferences	25,706	23,892	19,286	18,084
NHS funded posts	15,618	15,618	13,556	13,556
Other services rendered	4,593	4,593	4,831	4,831
Retail	33	33	33	33
Other capital grants	981	981	1,017	1,017
Job retention scheme grant	-	-	48	23
Other income	13,587	13,919	9,689	9,853
	60,518	59,036	48,460	47,397

No people (2022: 24) were furloughed by the Institution under the government's coronavirus job retention scheme during the period 1 August 2022 to 31 July 2023. The value of furlough claimed by the Institution was **£nil (2022: £23,000)**. The consolidated group number for the same period was **nil (2022: 62)**.

6 Investment income

Investment income on endowments	22	16	16	-	-
Other investment income		252	252	19	19
Interest receivable on intercompany loans		-	496	-	254
		268	764	19	273

7 Donations and endowments

New endowments	22	305	305	1,523	1,523
Donations with restrictions	23	746	746	461	461
Unrestricted donations		249	249	758	758
		1,300	1,300	2,742	2,742

Notes to the accounts (continued)

Year ended 31 July 2023

8 Staff costs	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Salaries	156,620	154,109	142,162	140,258
Social security costs	16,579	16,418	14,778	14,656
Pension costs	27,591	27,486	24,744	24,656
Severance costs	153	153	650	620
	200,943	198,166	182,334	180,190
Exceptional item: Movement on USS provision	(9,127)	(9,127)	69,662	69,662
Total	191,816	189,039	251,996	249,852

A further breakdown of pension costs is included in note 31.

Total remuneration of the President and Vice-Chancellor	Year ended 31 July 2023		Year ended 31 July 2022	
	Professor Nishan Canagarajah £'000		Professor Nishan Canagarajah £'000	
Basic salary	288		254	
Performance related pay and other bonuses	5		-	
Taxable benefits:				
Subsidised accommodation	-		-	
Pension contributions to USS	18		51	
	311		305	
Other non-taxable benefits			-	
	311		305	

Notes to the accounts (continued)

Year ended 31 July 2023

8 Staff costs (continued)

Professor Nishan Canagarajah

The President and Vice-Chancellor's basic salary is **7.7 times (2022: 6.9)** the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Institution to its staff.

The President and Vice-Chancellor's total remuneration is **7.1 times (2022: 7.1)** the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Institution of its staff.

The median salary and remuneration figures used in the above calculations include all staff that are included in real-time reporting to HMRC.

The emoluments of the President and Vice-Chancellor are determined by Council on the recommendation of the Remuneration Committee. The President and Vice-Chancellor is not in attendance for, or plays any part in the discussions over their own emoluments.

Remuneration Committee consider two key factors in order to determine any increase to salary, bonus payments or benefits. The first is the comparative position compared to a benchmark group of other similar sized research-intensive UK universities. The second is the achievements and contributions made during the year which are assessed through the appraisal process. This process includes an assessment of the success and progress achieved against a set of agreed performance objectives. The Committee rewards strong performance and delivery of the Institution's strategic plan.

Notes to the accounts (continued)

Year ended 31 July 2023

8 Staff costs (continued)

OTHER HIGHER PAID STAFF

The number of staff with a basic salary of over **£100,000 per annum, including the President and Vice-Chancellor**, has been included below. Where a proportion of the salary is reimbursed by another body, such as the NHS, only the portion paid by the Institution is disclosed.

Basic salary per annum	2022-23 No.	2021-22 restated No.
£100,000 - £104,999	11	17
£105,000 - £109,999	19	6
£110,000 - £114,999	6	15
£115,000 - £119,999	12	4
£120,000 - £124,999	4	1
£125,000 - £129,999	2	3
£130,000 - £134,999	5	1
£135,000 - £139,999	1	3
£140,000 - £144,999	2	-
£145,000 - £149,999	1	2
£150,000 - £154,999	-	3
£155,000 - £159,999	-	-
£160,000 - £164,999	3	1
£165,000 - £169,999	-	-
£170,000 - £174,999	1	-
£175,000 - £179,999	-	-
£180,000 - £184,999	-	-
£185,000 - £189,999	-	-
£190,000 - £194,999	-	-
£195,000 - £199,999	-	2
£200,000 - £204,999	-	1
£205,000 - £209,999	1	-
£210,000 - £214,999	1	-
£215,000 - £219,999	-	-
£220,000 - £224,999	-	-
£225,000 - £229,999	-	-
£230,000 - £234,999	-	-
£235,000 - £239,999	-	-
£240,000 - £244,999	-	-
£245,000 - £249,999	-	-
£250,000 - £254,999	-	1
£255,000 - £259,999	-	-
£260,000 - £264,999	-	-
£265,000 - £269,999	-	-
£270,000 - £274,999	-	-
£275,000 - £279,999	-	-
£280,000 - £284,999	-	-
£285,000 - £289,999	-	-
£290,000 - £294,999	1	-
	70	60

Notes to the accounts (continued)

Year ended 31 July 2023

8 Staff costs (continued)

Average staff numbers by major category

	2022-23		2021-22	
	Consolidated	Institution	Consolidated	Institution
Academic and clinical	1,010	1,010	920	920
Research	427	427	442	442
Administration, library, computer and other related	953	942	875	863
Technical	275	275	280	280
Clerical, manual and ancillary	1,064	995	930	871
	3,729	3,649	3,447	3,376

The total compensation for loss of office paid to **48 (2022: 96)** people during the year was **£153,229 (2022: £620,289)**.

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the Institution's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by management in accordance with delegated authority.

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution. Staff costs includes compensation paid to key management personnel. The Institution considers its key management personnel to be those individuals who serve the Executive Board. Current membership of the Executive Board is detailed on our website: le.ac.uk/about/who-we-are/senior-management/executive-board

Compensation consists of salary and benefits including any employer's pension contribution.

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Key management personnel compensation	1,965	2,018
FTEs for key management	11	11

Notes to the accounts (continued)

Year ended 31 July 2023

9 Interest and other finance costs	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Loan interest		2,803	2,816	2,665	2,665
Exchange differences		19	19	(124)	(124)
Change in fair value of derivatives		(2,519)	(2,519)	(2,436)	(2,436)
Unwind of discount on USS pension provision	19	3,651	3,651	372	372
Net charge on PAS pension scheme	31	658	658	822	822
		4,612	4,625	1,299	1,299

10a Analysis of total expenditure by activity

Academic and related expenditure		168,814	168,814	149,168	149,168
Administration and central services		71,124	71,124	67,643	67,643
Premises		43,971	43,971	41,942	41,942
Residences, catering and conferences		31,124	29,503	23,368	21,747
Research grants and contracts		55,651	55,651	50,005	50,005
Other expenses including USS provision movement	8	(12,700)	(12,682)	67,666	67,666
		357,984	356,381	399,792	398,171

Other operating expenses include:

External auditors remuneration in respect of audit services (exc. VAT)		209	143	155	110
External auditors remuneration in respect of non-audit services (exc. VAT)		35	35	32	32
Operating lease rentals:					
Land and buildings		148	148	151	151
Other		333	333	441	441

10b Access and participation

Access investment (i)		2,493	2,493	2,242	2,242
Financial support		3,552	3,552	3,568	3,568
Disability support (ii)		592	592	488	488
Research and Evaluation (iii)		44	44	-	-
		6,681	6,681	6,298	6,298

(i) £2,122,589 (2022: £1,777,146), (ii) £629,736 (2022: £520,300) and (iii) £44,418 (2022: £nil) of these costs are already included in the overall staff costs figures included in the financial statements, see note 8.

Our Access and Participation Plan is available on our website: le.ac.uk/about/making-a-difference/equality or the Office for Students website: officeforstudents.org.uk/the-register

Notes to the accounts (continued)

Year ended 31 July 2023

11 Taxation	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Recognised in the statement of comprehensive income				
Current tax				
Foreign tax	456	456	239	239
Current tax expense	456	456	239	239
Deferred tax expense	-	-	-	-
Total tax expense	456	456	239	239
Factors affecting the tax charge				
Surplus/(deficit) before taxation	12,142	13,191	(59,723)	(58,911)
UK corporation tax at 22% (2022: 19%)	2,671	2,902	(11,347)	(11,193)
Effect of: (Surplus)/deficit falling within charitable exemption	(2,215)	(2,446)	11,586	11,432
Total tax expense	456	456	239	239

12 Intangible assets

Consolidated and Institution	31 July 2023	31 July 2022
Software	£'000	£'000
Opening balance	1,532	1,380
Additions in the year	1,804	655
Amortisation charge for the year	(621)	(503)
Closing balance	2,715	1,532

Additions during the year relate to the purchase and development of software intangible assets. The amortisation period is between 3 and 10 years.

Notes to the accounts (continued)

Year ended 31 July 2023

13 Tangible assets		Freehold land and buildings £'000	Leasehold land and buildings £'000	Equipment £'000	Fixtures and fittings £'000	Assets in the course of construction £'000	Right of use asset £'000	Total £'000
Consolidated								
Cost								
	At 1 August 2022	584,206	27,918	44,413	13,307	23,677	10,319	703,840
	Additions	136	1	10,080	418	12,162	7,970	30,767
	Transfers	5,322	-	175	190	(5,687)	-	-
	Disposals	(3,439)	-	(286)	-	-	(10,319)	(14,044)
	At 31 July 2023	586,225	27,919	54,382	13,915	30,152	7,970	720,563
Depreciation								
	At 1 August 2022	143,804	9,787	35,074	8,589	-	2,904	200,158
	Charge for the year	14,804	716	9,307	1,170	-	7,415	33,412
	Disposals	(1,868)	-	(202)	-	-	(10,319)	(12,389)
	At 31 July 2023	156,740	10,503	44,179	9,759	-	-	221,181
Net book value								
	At 31 July 2023	429,485	17,416	10,203	4,156	30,152	7,970	499,382
	At 31 July 2022	440,402	18,131	9,339	4,718	23,677	7,415	503,682
Institution								
Cost								
	At 1 August 2022	584,206	27,918	44,413	10,544	23,677	10,319	701,077
	Additions	136	1	10,080	418	12,162	7,970	30,767
	Transfers	5,322	-	175	190	(5,687)	-	-
	Disposals	(3,439)	-	(286)	-	-	(10,319)	(14,044)
	At 31 July 2023	586,225	27,919	54,382	11,152	30,152	7,970	717,800
Depreciation								
	At 1 August 2022	143,804	9,787	35,074	5,857	-	2,904	197,427
	Charge for the year	14,804	716	9,307	1,162	-	7,415	33,404
	Disposals	(1,868)	-	(202)	-	-	(10,319)	(12,389)
	At 31 July 2023	156,740	10,503	44,179	7,019	-	-	218,442
Net book value								
	At 31 July 2023	429,485	17,416	10,203	4,132	30,152	7,970	499,358
	At 31 July 2022	440,402	18,131	9,339	4,687	23,677	7,415	503,650

At 31 July 2023, freehold land and buildings includes **£74,833,918 (2022 : £75,038,668)** in respect of freehold land which is not depreciated. Leasehold land and buildings includes **£830,000 (2022 : £830,000)** in respect of long leasehold land which is not depreciated where the long leasehold interest is deemed to be equivalent to a freehold interest.

Notes to the accounts (continued)

Year ended 31 July 2023

13 Tangible assets (continued)

Leasehold land and buildings includes:	Net book value £'000
Michael Atiyah building (125 year lease commencing 1996 from Wyggeston and Queen Elizabeth I College)	3,908
Main campus sports centre (99 year lease commencing 2000 from Wyggeston and Queen Elizabeth I College)	5,136
Various NHS sites	8,276
Other sites and leasehold improvements	96
At 31 July 2023	17,416
At 31 July 2022	18,131

Included in assets under construction at 31 July 2023 is **£14.1 million (2022: £14.3 million)** in relation to the Freeman's Common project. The Freeman's Common project is a £150 million scheme to provide modern en-suite accommodation for 1,164 students plus a multi-storey car park, teaching and learning centre, social space including a café / meeting areas, an energy centre and accompanying landscaping.

14 Non-current investments	Investment in subsidiaries £'000	Investment in associates £'000	Other investments £'000	Total £'000
Consolidated				
At 1 August 2022	-	1,505	7,435	8,940
Share of loss retained by associate	-	(642)	-	(642)
Reclassifications	-	-	-	-
Change in fair value	-	-	(1,112)	(1,112)
At 31 July 2023	-	863	6,323	7,186
Institution				
At 1 August 2022	300	-	7,435	7,735
Reclassifications	-	-	-	-
Change in fair value	-	-	(1,112)	(1,112)
At 31 July 2023	300	-	6,323	6,623

The investment in subsidiary companies relates to the share capital of the subsidiary companies detailed in note 28.

Investment in associates

The Group has a 10% shareholding in Freeman's Common Village LLP. On 2 August 2019 the Group entered into a 50 year agreement with a consortium including Equitix (an investment company) and Engie (a constructor). The consortium will design, build, fund, manage and operate new residences built on the Freeman's Common site. Building work commenced in September 2019 and has taken three years to complete.

Freeman's Common Village LLP is funding the project via a mixture of debt and equity. The investment is accounted for on an equity basis.

Notes to the accounts (continued)

Year ended 31 July 2023

14 Non-current investments (continued)

Other investments

Other investments consist of:	Consolidated and Institution	
	31 July 2023	31 July 2022
	£'000	£'000
At fair value:		
Permanent endowments invested in market securities	6,323	7,435
Investment in listed shares	-	-
	6,323	7,435

Spinouts and associated investments

The Institution holds the following shares in spinout companies and associated investments:

Name	Shareholding at 31 July 2023	Principal Activity
Earthsense Systems Limited	3%	Its principal activity is the development and commercialisation of products and services for monitoring of air quality.
OCB Media Limited	24%	Development and pursuit of electronically distributed high level e-learning material and multimedia products
MIP Discovery Limited (formerly MIP Diagnostics Limited)	2%	Commercialisation of Molecular imprinted Polymers (MIPs)
Midlands Mindforge Limited (formerly Midlands Investment Vehicle Limited)	7%	A patient capital investment company for university spinouts and other early-stage IP-rich businesses in the Midlands

These entities are not accounted for on an equity basis on the grounds of materiality. It is the Institution's policy to write off the initial investment in spinout companies and associated investments.

Notes to the accounts (continued)

Year ended 31 July 2023

15 Trade and other receivables	Year ended 31 July 2023		Year ending 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Amounts falling due within one year				
Research grants receivables	14,070	14,070	17,043	17,043
Other trade receivables	13,928	13,813	13,473	13,373
Other receivables	424	418	161	159
Prepayments and accrued income	7,745	7,675	7,504	7,432
Amounts due from subsidiary companies	-	8,743	-	8,300
Amounts falling due after more than one year				
Amounts due from subsidiary companies	-	892	-	1,116
Derivatives	269	269	-	-
	36,436	45,880	38,181	47,423

Other trade receivables includes a bad debt provision of **£4,478,127 (2022: £5,527,575)**.

Derivative financial instruments

Interest rate swaps and caps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Interest rate swap contracts

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Fair value	
	2023 %	2022 %	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Five years or more	5.86	5.86	15,314	16,376	269	-

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is SONIA. The Institution will settle the difference between the fixed and floating interest rate on a net basis. Due to changes in the floating rate used to value to swaps during the year, the fair value of these derivatives have now been reclassified into debtors.

Notes to the accounts (continued)

Year ended 31 July 2023

16 Current investments	Other investments £'000	Total £'000
Consolidation and Institution		
At 1 August 2022	13,574	13,574
Change in fair value	1,454	1,454
Disposals	(1,805)	(1,805)
At 31 July 2023	13,223	13,223
Other investments consist of:	31 July 2023	31 July 2022
At fair value:	£'000	£'000
Expendable endowments invested in market securities	13,223	11,769
Investments in market securities	-	1,805
	13,223	13,574

17 Creditors: Amounts falling due within one year	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Unsecured loans	3,274	3,274	49,525	49,525
Trade payables	29,042	28,998	28,457	28,414
Social security and other taxation payable	9,397	9,315	4,430	4,400
Other payables	11,739	11,724	10,642	10,630
Accruals and deferred income	90,378	89,783	100,310	99,882
	143,830	143,094	193,364	192,851

Other payables includes a **£8.0 million (2022: £7.4 million)** nominations liability in respect of the Freeman's Common development detailed in note 13.

Deferred income

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Research grants received on account	47,785	47,785	48,561	48,561
Grant income	1,310	1,310	2,300	2,300
Capital grant income	6,735	6,735	6,973	6,973
Other income	11,511	11,295	11,897	11,881
	67,341	67,125	69,731	69,715

Notes to the accounts (continued)

Year ended 31 July 2023

18 Creditors: Amounts falling due after more than one year	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Deferred income	121,572	121,540	124,074	124,026
Derivatives	-	-	2,250	2,250
Unsecured loans	110,000	110,000	70,931	70,931
	231,572	231,540	197,255	197,207

Analysis of unsecured loans:

Due within one year or on demand (note 17)	3,274	3,274	49,525	49,525
Due between one and two years	3,391	3,391	1,105	1,105
Due between two and five years	10,950	10,950	3,621	3,621
Due in five years or more	95,659	95,659	66,205	66,205
Due after more than one year	110,000	110,000	70,931	70,931
Total secured and unsecured loans	113,274	113,274	120,456	120,456

Included in loans are the following:

Lender	£'000	Term	Secured Unsecured	Interest Rate %	Borrower
Salix	800	n/a	Unsecured	-	Institution
Barclays	5,560	2031	Unsecured	6.17	Institution
Barclays	9,754	2037	Unsecured	5.67	Institution
European Investment Bank	22,194	2038	Unsecured	3.47	Institution
European Investment Bank	20,149	2040	Unsecured	2.90	Institution
Private Placement - Lincoln National Life Insurance	20,000	2044	Unsecured	3.18	Institution
Private Placement - Lincoln National Life Insurance	10,000	2049	Unsecured	3.25	Institution
Private Placement - Pacific Life Insurance	25,000	2049	Unsecured	3.25	Institution
Private Placement - transaction costs	(183)				
Total	113,274				

Deferred income

Deferred income due after more than one year represents balances on capital grants from government sources, from non-government sources where the grant stipulates performance conditions and contracted income received in advance.

Deferred income	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Capital grant income	95,067	95,067	97,003	97,003
Other income	26,505	26,473	27,071	27,023
	121,572	121,540	124,074	124,026

Derivative financial instruments

Interest rate swaps and caps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. Due to changes in the floating rate used to value to swaps during the year, the fair value of these derivatives have now been reclassified into debtors. See note 15 for more detail.

Notes to the accounts (continued)

Year ended 31 July 2023

19 Provisions for liabilities

Pension provisions

Consolidated and Institution	Obligation to fund deficit on USS pension £'000	Defined benefit obligations (note 31) £'000	Total pensions provisions £'000	Total other provisions £'000
At 1 August 2022	110,306	22,396	132,702	475
Utilised in year	(7,027)	(4,817)	(11,844)	(239)
Additions in the year	3,651	3,045	6,696	317
Released in the year	(9,127)	-	(9,127)	-
At 31 July 2023	97,803	20,624	118,427	553

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to make deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Additions in the year are comprised of the unwinding of the discount on the provision of £3,651,128 and releases in the year are comprised of changes in assumptions relating to future staff membership, salary inflation and deficit contribution rates of £(9,126,874). The key assumptions are set out below and further information is provided in note 31.

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 31. This new plan requires deficit payments of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%, in place until 30 April 2038.

The major assumptions used in calculating the provision are:

	2023 %	2022 %
Discount rate	5.52	3.31
Inflation	2.0 to 3.0	2.0 to 3.2

Notes to the accounts (continued)

Year ended 31 July 2023

19 Provisions for liabilities (continued)

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision under the new deficit recovery plan are set out below:

Change in assumption at 31 July 2023	Approximate impact
0.5% pa decrease in discount rate	£3.53m
0.5% pa increase in salary inflation over duration	£3.62m
0.5% pa increase in salary inflation year 1 only	£0.47m
0.5% increase in staff changes over duration	£3.42m
0.5% increase in staff changes year 1 only	£0.46m
1% increase in deficit contributions	£15.54m

Defined benefit obligations

This provision relates to the University of Leicester Pension and Assurance Scheme (PAS) which arises from the contractual obligation with the pension scheme for a net defined benefit liability.

This is the present value of obligations under the defined benefit plans at the reporting date. Management have engaged Aon Hewitt to determine the value of this obligation.

Further information is available in note 31.

Other provisions

Other provisions contains amounts relating to decommissioning, redundancy and other pension related costs.

Notes to the accounts (continued)

Year ended 31 July 2023

20 Contingent assets and liabilities

There are contingent liabilities relating to potential tax liabilities for overseas employees, overseas sales and VAT recovery, as well as relating to property re-purchase obligations for which the outcomes are uncertain and where the potential outflows are not expected to be material to the University and Consolidation.

21 Financial instruments

The carrying values of the Institution's financial assets and liabilities are summarised below:

	31 July 2023		31 July 2022	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Financial assets				
Measured at fair value through Statement of Comprehensive Income				
Other investments	19,546	19,546	21,009	21,009
Derivative financial instruments	269	269	-	-
Debt instruments measured at amortised cost				
Cash and cash equivalents	22,411	22,381	34,956	34,936
Loans receivable	-	2,620	-	2,844
Trade and other receivables	28,422	35,316	30,677	37,147
Equity instruments measured at cost less impairment				
Investments in associates	863	-	1,505	-
Investments in subsidiaries	-	300	-	300
	71,511	80,432	88,147	96,236
Financial liabilities				
Measured at fair value through Statement of Comprehensive Income				
Derivative financial instruments	-	-	2,250	2,250
Measured at amortised cost				
Loans payable	113,274	113,274	120,456	120,456
Trade and other payables	50,178	50,037	43,529	43,444
	163,452	163,311	166,235	166,150

Notes to the accounts (continued)

Year ended 31 July 2023

	Restricted permanent endowment	Unrestricted permanent endowment	Total	Total
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
22 Endowment reserves				
Consolidated and Institution				
Permanent endowments				
Balances at 1 August				
Capital	3,360	1,202	4,562	4,559
Unapplied return	2,331	591	2,922	3,184
	5,691	1,793	7,484	7,743
New endowments	89	3	92	10
Reclassifications	(316)	(285)	(601)	-
Investment income	2	-	2	-
Expenditure	(76)	-	(76)	(51)
Increase/(decrease) in market value of investments	86	24	110	(218)
Total endowment comprehensive income for the year	(215)	(258)	(473)	(259)
At 31 July	5,476	1,535	7,011	7,484
Represented by:				
Capital	3,885	1,321	5,206	4,562
Unapplied return	1,591	214	1,805	2,922
	5,476	1,535	7,011	7,484
Analysis by type of purpose:				
Lectureships			432	483
Scholarships and business			3,031	3,232
Research support			102	139
Prize funds			1,009	1,107
General			2,437	2,523
			7,011	7,484
Analysis by asset:				
Non-current asset investments			6,323	7,435
Cash and cash equivalents			688	49
			7,011	7,484

Notes to the accounts (continued)

Year ended 31 July 2023

	Total 2023 £'000	Total 2022 £'000	
22 Endowment reserves (continued)			
Restricted expendable endowments			
Balance at 1 August			
Capital	9,674	12,749	
Accumulated income	7,104	4,042	
	16,778	16,791	
New endowments	213	1,513	
Reclassifications	601		
Investment income	14	-	
Expenditure	(1,629)	(1,154)	
Increase/(decrease) in market value of investments	308	(372)	
Total endowment comprehensive expenditure for the year	(493)	(13)	
At 31 July	16,285	16,778	
Represented by:			
Capital	12,208	9,674	
Accumulated income	4,077	7,104	
	16,285	16,778	
Analysis by type of purpose:			
Lectureships	2,075	1,812	
Scholarships and bursaries	2,161	2,169	
Research support	10,526	11,422	
Prize funds	75	37	
General	1,448	1,338	
	16,285	16,778	
Analysis by asset:			
Current asset investments	13,223	11,769	
Cash and cash equivalents	3,062	5,009	
	16,285	16,778	
Analysis of major endowments:			
	Capital £'000	Income £'000	Total £'000
van Geest Foundation Heart and Cardiovascular Disease Research Fund			
Balance at 1 August 2022	6,835	-	6,835
Investment income	(134)	134	-
Expenditure	-	(134)	(134)
Decrease in market value of investments	(24)	-	(24)
Balance at 31 July 2023	6,677	-	6,677

Notes to the accounts (continued)

Year ended 31 July 2023

23 Restricted reserves	Donations £'000	Other restricted funds £'000	Total 2023 £'000	Total 2022 £'000
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Consolidated and Institution

Balances at 1 August	426	1,918	2,344	2,104
New donations	746	-	746	461
New other restricted funds	-	132	132	693
Expenditure	(189)	(404)	(593)	(914)
	557	(272)	285	240
At 31 July	983	1,646	2,629	2,344

	Total 2023 £'000	Total 2022 £'000
Analysis of restricted funds by type of purpose:		
Scholarships and bursaries	307	230
Research support	1,659	1,663
General	663	451
	2,629	2,344

Notes to the accounts (continued)

Year ended 31 July 2023

24 Cash and cash equivalents	At 1 August 2022 £'000	Cash flows £'000	At 31 July 2023 £'000
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Consolidated

Cash and cash equivalents			
Endowed cash and cash equivalents	5,058	(1,308)	3,750
Non-endowed cash and cash equivalents	29,898	(11,237)	18,661
	<u>34,956</u>	<u>(12,545)</u>	<u>22,411</u>

Institution	At 1 August 2022 £'000	Cash flows £'000	At 31 July 2023 £'000
Cash and cash equivalents			
Endowed cash and cash equivalents	5,058	(1,308)	3,750
Non-endowed cash and cash equivalents	29,878	(11,237)	18,631
	<u>34,936</u>	<u>(12,555)</u>	<u>22,381</u>

Non-endowed cash and cash equivalents includes **£281,000 (2022: 273,000)** of term deposits and notice accounts with a maturity of 3 months or less from the date of placement. At 31 July 2023 the weighted average interest rate of these fixed rate deposits was 4.25% per annum and the weighted average period for which the interest rate is fixed on these deposits was 3 months.

25 Consolidated net debt reconciliation	At 1 August 2022 £'000	Cash flows £'000	Changes in market value and exchange rates £'000	Other non- cash changes £'000	At 31 July 2023 £'000
Cash and cash equivalents	34,956	(12,545)	-	-	22,411
Derivatives	-	-	269	-	269
Borrowings due within one year					
Unsecured loans	(49,525)	7,182	-	39,069	(3,274)
Borrowings due after more than one year					
Unsecured loans	(70,931)	-	-	(39,069)	(110,000)
Derivatives	(2,250)	-	2,250	-	-
	<u>(73,181)</u>	<u>-</u>	<u>2,250</u>	<u>(39,069)</u>	<u>(110,000)</u>
Net debt	<u>(38,225)</u>	<u>(5,363)</u>	<u>2,519</u>	<u>-</u>	<u>(40,594)</u>

Notes to the accounts (continued)

Year ended 31 July 2023

26 Capital commitments

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

	31 July 2023		31 July 2022	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Commitments contracted for	2,613	2,613	2,525	2,525

27 Lease obligations

Total rentals payable under operating leases are as follows:

Consolidated and Institution	Land and buildings £'000	Other £'000	Total 2023 £'000	Total 2022 £'000
Future minimum lease payments due:				
Not later than one year	134	629	763	339
Later than one year and not later than five years	355	1,459	1,814	740
Later than five years	-	4	4	-
Total lease payments due	489	2,092	2,581	1,079

28 Subsidiary undertakings

The subsidiary companies (all of which are registered in England) wholly-owned or effectively controlled by the Institution are as follows:

Company	Principal activity	Status	Note
College Court Conference Centre Limited	Operation of a conferencing facility	100% owned	14
The Leicester Services Partnership Limited	Operation of catering facilities	100% owned	14
UOL Investments Limited	Investment holdings	100% owned	14
UOL FC Limited	Investment holdings	100% owned	14

The registered address for all the subsidiary companies is: University Road, Leicester, LE1 7RH.

Notes to the accounts (continued)

Year ended 31 July 2023

29 Related party transactions

Due to the nature of the Institution's operations and the composition of its Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the Institution's financial regulations and normal procurement procedures. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

	2023			
	Income transaction £'000	Expenditure transactions £'000	Balance due from the related party £'000	Balance due to the related party £'000
DeMontfort University	20	294	11	4
Kettering General Hospital	377	-	112	-
Leicestershire Partnership NHS Trust	572	163	137	-
Rockstar Marketing Group Ltd	-	76	-	22
UK Space Agency	1,067	-	-	-
University of Leicester Students' Union	18	70	-	-
	2,054	603	260	26

	2022			
	Income transaction £'000	Expenditure transactions £'000	Balance due from the related party £'000	Balance due to the related party £'000
DeMontfort University	-	170	-	-
Engineering and Physical Sciences Research Council (EPSRC)	4,560	-	-	-
Kettering General Hospital	46	-	34	-
Leicestershire Partnership NHS Trust	535	64	266	-
National Space Centre	-	115	-	-
Rockstar Marketing Group Ltd	-	53	-	-
University Hospitals of Leicester NHS Trust	10,844	4,119	38	1
University of Leicester Students' Union	-	124	-	-
University of Nottingham	174	842	29	1
	16,159	5,487	367	2

Notes to the accounts (continued)

Year ended 31 July 2023

DeMontfort University

The majority of expenditure with DeMontfort University relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

Kettering General Hospital

The majority of income from Kettering General Hospital relates to salary recharges.

Leicestershire Partnership NHS Trust

The majority of income from Leicestershire Partnership NHS Trust relates to staff recharges. Expenditure relates to salaries and use of facilities by staff and students.

Rockstar Marketing Group Ltd

The majority of expenditure with Rockstar Marketing Group Ltd relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

UK Space Agency

The majority of income from the UK Space Agency relates to projects and payable in the normal course of business.

University of Leicester Students' Union

The majority of expenditure with University of Leicester Students' Union relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

No information has been listed above for organisations where income and expenditure is less than £25,000 in the year.

Council members

The Institution's Council members are the trustees for charitable law purposes. Due to the nature of the Institution's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified above, are conducted at arms length and in accordance with the Institution's Financial Regulations and procurement procedures.

No Council member has received any remuneration or waived payments from the Institution during the year (2022: none).

The total expenses paid to or on behalf of 3 council members was £713 (2022: £312). The amounts paid represent travel and subsistence costs incurred in attending Council, committee meetings and charity events in their official capacity. Where Council members are also employees of the Institution, expenses claimed in their capacity as an employee are not included.

30 Events after the reporting period

There are no post balance sheet events for disclose.

Notes to the accounts (continued)

Year ended 31 July 2023

31 Pension schemes

Different categories of staff are eligible to join one of the following schemes:

- Universities' Superannuation Scheme (USS).
- The University of Leicester Stakeholder Scheme.
- The College Court Stakeholder Scheme.
- The Leicester Services Partnership Stakeholder Scheme.
- National Health Service Pension Scheme (NHS).

The USS has two sections which work alongside each other: the Retirement Income Builder which is a defined benefit section where benefits are based on length of service and salary up to a threshold; and the Investment Builder a defined contribution section for earnings above the salary threshold and any additional contributions members choose to make.

The three stakeholder schemes are defined contribution schemes.

The NHS scheme is a defined benefit scheme.

The Institution also continues to administer two previous pension schemes: the University of Leicester Pension and Assurance Scheme (PAS), a defined benefit scheme, and the Federated Superannuation System for Universities (FSSU), a defined contribution scheme. Both schemes are now closed to new entrants.

The amounts charged to staff costs in respect of the schemes is as follows:

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Universities' Superannuation Scheme	24,473	21,941
University of Leicester Stakeholder Scheme	1,620	1,436
University of Leicester Pension and Assurance Scheme (PAS)	-	-
NHS Pension Scheme	1,393	1,279
College Court Stakeholder Scheme	-	3
Leicester Services Partnership Stakeholder Scheme	105	85
	27,591	24,744

(i) The Universities' Superannuation Scheme

As at 31 July 2023 there are **2,409 (2022: 2,251)** active members of USS Deficit recovery contributions due within one year for the Institution are **£7,692,393 (2022: £7,072,826)**. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method. Since the Institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

Notes to the accounts (continued)

Year ended 31 July 2023

31 Pension schemes (continued)

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

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

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

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

	2023 %	2022 %
Discount rate	5.52	3.31
Pensionable salary growth	2.0 to 3.0	2.0 to 3.2

The employers' contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.10%
1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

Notes to the accounts (continued)

Year ended 31 July 2023

31 Pension schemes (continued)

(ii) University of Leicester Pension and Assurance Scheme (PAS)

The PAS is a defined benefit scheme and a registered pension scheme for tax purposes (reference number 100222535).

The scheme closed to new members in July 2003 and then on 31 March 2016 to future benefit accrual. The scheme was contracted out of the State Second Pension Scheme until its closure. Active members of the scheme at the closure date were enrolled into The University of Leicester Stakeholder Plan or, if eligible, the Universities Superannuation Scheme (USS). As at 31 July 2023, there are **861 (2022: 987)** deferred members of the scheme.

The Trustees of the scheme have the responsibility for its management. The scheme administrators are Aon who also act as consultant and actuary to the scheme.

The last actuarial valuation was held on 31 July 2022 and this reported a past service deficit of £37.9 million, which represented a funding ratio of 85%. A recovery plan has been agreed with the Institution which provides for repayment of this deficit by 31 July 2029. The next actuarial valuation is due on 31 July 2025.

Assumptions

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

	At 31 July 2023 %pa	At 31 July 2022 %pa
Discount rate for scheme liabilities	5.10	3.35
Price inflation (RPI)	3.25	3.25
Price inflation (CPI)	3.00	2.90
Rate of increase in salaries	3.00	3.50%, and then 2.00% thereafter
Pension increases	%pa	%pa
Pre 06.04.1988 GMP	0.00	0.00
Post 05.04.1988 GMP	2.30	2.45
Pre 06.04.1997 Non-GMPs	3.05	3.15
Post 05.04.1997	3.05	3.15
Post 01.08.2012	2.90	2.90

Demographic assumptions

The main demographic assumption used relates to mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigations (CMI) tables. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Male (currently aged 65)	Male (currently aged 45)	Female (currently aged 65)	Female (currently aged 45)	Female (currently employed deferred member aged 45)
At 31 July 2022 (S3PMA/S3PFA)	20.5	21.7	22.9	24.1	24.1
At 31 July 2023 (S3PMA/S3PFA)	19.9	20.5	22.6	23.4	23.4

Notes to the accounts (continued)

Year ended 31 July 2023

	31 July 2023 £'000	31 July 2022 £'000
31 Pension schemes (continued)		
Scheme assets		
The assets in the scheme were:		
Equities	17,705	24,027
Bonds	74,314	82,782
Gifts	-	-
Property	8,702	10,512
Diversified growth funds	14,710	22,841
Cash	337	7,054
Other	-	-
Total	115,768	147,216

None of the Scheme assets are invested in the Institution's financial instruments or in property occupied by, or other assets used by, the Institution.

Analysis of the amount shown in the balance sheet for PAS:

	31 July 2023 £'000	31 July 2022 £'000
Scheme assets	115,767	147,216
Scheme liabilities	(136,391)	(169,612)
Deficit in the scheme – net pension liability recorded within pensions provision (note 19)	(20,624)	(22,396)

Analysis of the amount charged to expenditure for PAS:

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Current service cost	-	-
Past service cost	-	-
Admin expenses	664	575
Total operating charge	664	575

Analysis of the amount charged to interest payable for PAS:

Interest on net defined benefit liability	658	822
Total expenditure charge	1,322	1,397

Analysis of other comprehensive (expenditure)/income for PAS:

Loss on assets	(34,100)	(35,662)
Experience gain on liabilities	32,379	65,970
Total other comprehensive (expenditure)/income	(1,721)	30,308

Notes to the accounts (continued)

Year ended 31 July 2023

31 Pension schemes (continued)

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Changes in value of defined benefit obligation		
Present value of PAS liabilities at the start of the year	169,612	238,322
Past service cost	-	-
Interest expense on defined benefit obligation	5,585	3,647
Actuarial gain	(32,379)	(65,970)
Actual benefit payments	(6,427)	(6,387)
Present value of PAS liabilities at the end of the year	136,391	169,612
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	147,216	182,681
Interest income on assets	4,926	2,826
Loss on assets	(34,100)	(35,662)
Actual contributions paid by Institution	4,816	4,333
Actual benefit payments	(6,427)	(6,387)
Admin costs incurred	(664)	(575)
Fair value of scheme assets at the end of the year	115,767	147,216
Actual return on scheme assets		
Interest income on scheme assets	4,926	2,826
Loss on scheme assets	(34,100)	(35,662)
Fair value of scheme assets at the end of the year	(29,174)	(32,836)

Notes to the accounts (continued)

Year ended 31 July 2023

31 Pension Schemes (continued)

(iii) NHS Pension Scheme

The NHS Pension Scheme is a multi-employer defined benefit scheme that is treated as a defined contribution scheme as it is not possible to identify the Institution's share of the underlying assets and liabilities. As at 31 July 2023, the Institution has **123 (2022: 112)** employees who are members of the Scheme. The Institution allows continued membership of the Scheme for new employees who are already members of the Scheme. Employees contribute between 5.2% and 12.5% of pensionable earnings to the scheme, whilst the Institution contributes a standard 20.68% including an 0.08% scheme administration levy (**2022: 20.68%**) of the employees' pensionable earnings. The employee % rate is based on their earnings in a year.

(iv) The University of Leicester Stakeholder Scheme The Leicester Services Partnership Scheme

All three Schemes are defined contribution pension schemes offered through and administered by Aviva. They are open to the Institution's support staff in salary grade level 5 and below, all employees of the Institution's trading subsidiaries and are also available to casual workers.

As at 31 July, each scheme had active members as follows:

	2023	2022
	No.	No.
The University of Leicester Stakeholder Scheme	1,229	1,083
The Leicester Services Partnership Scheme	77	63

Notes to the accounts (continued)

Year ended 31 July 2023

31 Pension Schemes (continued)

Each scheme employer contributes to the scheme in proportion to that of member contribution rate as a percentage of pensionable pay, according to the table below.

	Employee's contribution	Employer's contribution
Tier 1	3%	5%
Tier 2	4%	7%
Tier 3	5%	9%
Tier 4	6%	11%
	7% or more	11%

The scheme(s) operate a salary sacrifice arrangement for pension deductions.

As of 1 January 2016, all new scheme members are enrolled in the Aviva My Future Fund default investment fund. The Aviva default investment fund incorporates a lifestyle strategy which changes the mix of default investments as the member nears their chosen retirement age from growth investments to lower risk funds.

The Aviva My Future Fund carries a management charge of **0.43%** (2022: **0.43%**) of fund value.

The Institution maintains an Advisory Group, which has employee representation, and supports the governance of the scheme(s) and provides advice on the scheme(s) to the Institution's Finance Committee. The scheme(s) retains Isio as independent pension advisors.

Notes to the accounts (continued)

Year ended 31 July 2023

32 US Department of Education: Financial Responsibility Supplemental Schedule

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

The below data is prepared using UK GAAP and does not include any adjustments to comply with US GAAP.

Reference	Expendable Net Assets	Year ended 31 July 2023		Year ended 31 July 2022	
		£'000	£'000	£'000	£'000
Statement of Changes in Reserves: unrestricted	Net assets without donor restrictions		61,412		50,766
Statement of Changes in Reserves: restricted + endowment + NCI	Net assets with donor restrictions		25,925		26,606
	Secured and Unsecured related party receivable		-		-
	Unsecured related party receivable		-		-
Note 13 exc. right of use asset	Property, plant and equipment, net (includes Construction in progress)	491,412		496,267	
Note 13 exc. right of use asset and additions	Property, plant and equipment - pre-implementation		332,181		344,722
	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-		-
Note 13 exc. right of use asset: additions	Property, plant and equipment - post-implementation without outstanding debt for original purchase		134,684		133,633
Note 13	Construction in progress		24,547		17,912
Note 13	Lease right-of-use asset, net	7,970		7,415	
	Lease right-of-use asset pre-implementation		-		-
	Lease right-of-use asset post-implementation		7,970		7,415
Note 12	Intangible assets		2,715		1,532
Note 19	Post-employment and pension liabilities		118,427		132,702
Note 18	Long-term debt - for long term purposes	113,274		120,456	
Note 18 less new loans in year	Long-term debt - for long term purposes pre-implementation		113,274		117,456
	Long-term debt - for long term purposes post-implementation		-		-
	Line of Credit for Construction in process		-		-
Note 17	Lease right-of-use asset liability	7,970		7,415	
	Pre-implementation right-of-use leases		-		-
Note 17	Post-implementation right-of-use leases		7,970		7,415
	Annuities with donor restrictions		-		-
	Term endowments with donor restrictions		-		-
	Life income funds with donor restrictions		-		-
Note 22 + 23	Net assets with donor restrictions: restricted in perpetuity		25,925		26,606

Notes to the accounts (continued)

Year ended 31 July 2023

32 US Department of Education: Financial Responsibility Supplemental Schedule (continued)

Reference	Total Expenses and Losses	Year ended 31 July 2023		Year ended 31 July 2022	
		£'000	£'000	£'000	£'000
Note 10a	Total expenses without donor restrictions - taken directly from Statement of Comprehensive Income		357,984		399,792
Statement of Comprehensive Income: (investment income + other gains + actuarial gain/(loss))	Non-Operating and Net Investment (gain)		1,226		(29,702)
Statement of Comprehensive Income: investment income + other gains	Net investment losses/(gains)		(927)		606
	Pension-related changes other than net periodic costs		-		-
Modified Net Assets					
Statement of Changes in Reserves: unrestricted	Net assets without donor restrictions		61,412		50,766
Statement of Changes in Reserves: restricted + endowment + NCI	Net assets with donor restrictions		25,925		26,606
Note 12	Intangible assets		2,715		1,532
	Secured and Unsecured related party receivable	-		-	
	Unsecured related party receivable		-		-
Modified Assets					
Statement of Financial Position: total assets	Total Assets		581,719		601,168
	Lease right-of-use asset pre-implementation		-		-
	Pre-implementation right-of-use leases		-		-
Note 12	Intangible assets		2,715		1,532
	Secured and Unsecured related party receivable	-		-	
	Unsecured related party receivable		-		-
Net Income Ratio					
Statement of Changes in Reserves: unrestricted	Change in Net Assets Without Donor Restrictions		10,646		(31,041)
Statement of Comprehensive Income: total income - investment income + gain on disposal of fixed assets	Total Revenue and Gains		369,631		340,675



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