

A photograph of four diverse students walking along a paved path on a university campus. From left to right: a young woman with long brown hair wearing a black jacket and leggings, carrying a laptop; a young man with short dark hair wearing a dark jacket over a red plaid shirt; a young man with short orange hair wearing a dark quilted jacket; and a young woman with long brown hair in a ponytail wearing a black puffer jacket. They are all smiling and looking towards the right. In the background, there are trees, a tall white column, and a multi-story university building under a clear blue sky.

ANNUAL REVIEW & FINANCIAL STATEMENTS 2022/23

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**AWARDED GOLD
OVERALL, GOLD FOR
STUDENT EXPERIENCE
AND GOLD FOR
STUDENT OUTCOMES**

Teaching Excellence Framework 2023



**IN THE COMPLETE
UNIVERSITY
GUIDE 2024**

out of 130 UK universities



**A 5 STARS PLUS
INSTITUTION**

one of only 20 worldwide

International QS Stars
Scheme 2023

2022/23 AT A GLANCE



BEST UNIVERSITY IN THE WORLD

for sports-related subjects for
the seventh year running

QS World University
Rankings by Subject 2023



1ST IN UK FOR ADVANCING AFFORDABLE AND CLEAN ENERGY

Times Higher Education
Impact Rankings 2023



IN THE GUARDIAN LEAGUE TABLE 2024

out of 122 UK universities



IN THE TIMES AND SUNDAY TIMES GOOD UNIVERSITY GUIDE 2024

out of 131 UK universities



RANKED 7TH IN THE UK FOR STUDENT SATISFACTION

National Student Survey 2023
Times Higher Education analysis



UNBEATEN BRITISH UNIVERSITIES AND COLLEGES SPORT (BUCS) CHAMPIONS FOR 42 YEARS RUNNING

VICE-CHANCELLOR'S FOREWORD



The end of the academic year enables us to look back on the past 12 months; to reflect on our successes and developments and to consider where the coming year will take us. While 2022/23 undoubtedly had its challenges, such as the cost-of-living crisis, which continues to impact so many aspects of our lives, it also brought opportunities and notable achievements, a selection of which we highlight in this Annual Review.

Throughout the year we have continued to make significant progress against the aims and themes in our ten-year strategy, *Creating Better Futures. Together*, which was launched in 2021/22.

The breadth and quality of the teaching and learning we offer our students, and the opportunities and support we provide as they take their first steps into their career, were underlined this year through the 2023 Teaching Excellence Framework, with Loughborough awarded the highest possible accolade: gold overall and gold for both our student experience and student outcomes.

Our research and innovation continue to impact every part of society. For example, Loughborough will be one of the lead academic partners in the new National Rehabilitation Centre (NRC), which will transform the lives of those who have experienced life-changing injury, trauma or illness. The NRC partnership underlines our mission to use our world-leading expertise in sport and exercise to drive innovation that impacts both national and global health and wellbeing.

Our research also influences policy worldwide. The academics from the Centre for Research in Social Policy (CRSP), for instance – whose work informed the Minimum Income Standard that is used to calculate the Living Wage now paid by more than 13,000 UK employers – will be part of a global partnership of organisations that will work together to establish a living wage number for every country, an initiative launched this year at the UN General Assembly in New York.

Closer to home, a grant through the Loughborough Town Deal has allowed us to expand our SportPark facility on the Loughborough University Science and Enterprise Park, enabling us to attract even more national and global sports organisations to the campus and support the region's economic regeneration. The SportPark expansion is also our first development to achieve the Passivhaus standard for energy efficiency and comfort – a step towards our goal to decarbonise the campus and achieve our zero-carbon target by 2035.

By harnessing the power of working in partnership – with others in the region, throughout the UK and around the globe – we can scale-up our strengths and our ambitions. We achieve more, make a real difference to people's lives and we positively impact the world around us.

The initiatives and developments highlighted in our Annual Review shows how, at Loughborough, we're doing just that.

Nick Jennings

Professor Nick Jennings CB, FREng, FRS
Vice-Chancellor and President of Loughborough University

OUR HISTORY



A Technical Institute
is established in
Loughborough

1909

Loughborough College of Advanced
Technology becomes Loughborough
University of Technology, after being
awarded a Royal Charter in recognition of
its excellence and achievements to date

1966

1920
Newly named
Loughborough College
is granted its own
Armorial Bearings



OUR UNIVERSITY



WE HAVE TWO INSPIRING CAMPUSES

Our East Midlands campus and our postgraduate campus, Loughborough University London



WE OFFER ONE OF THE BEST STUDENT EXPERIENCES IN THE COUNTRY

with Loughborough Students' Union (LSU)



WE HAVE OVER 19,700 STUDENTS



WE ARE THE WORLD'S LEADING UNIVERSITY FOR SPORT

with opportunities for all to participate



INNOVATION IS AT THE HEART OF OUR ACTIVITIES

enhancing the student experience, creating impact from research, and driving regional prosperity



OUR BIODIVERSE CAMPUSES ARE GREEN FLAG ACCREDITED

and home to countless species, plants and trees



OUR FOCUS IS GLOBAL

We have global ambition and will continue to develop the influence we have



WE ARE A RESEARCH-INTENSIVE INSTITUTION

delivering new knowledge and understanding that helps to improve the quality of people's lives



WE ARE COMMITTED TO BEING A SUSTAINABLE AND SOCIALLY RESPONSIBLE ORGANISATION

that maximises our positive impact on society



HOME TO LOUGHBOROUGH UNIVERSITY SCIENCE AND ENTERPRISE PARK

one of the largest science parks in the UK with over 90 start-ups, growing businesses, global brands and sports organisations



WE DEVELOP AND NURTURE MEANINGFUL PARTNERSHIPS

locally, regionally, nationally and internationally



WE ARE A DIVERSE, EQUITABLE, RESPECTFUL AND INCLUSIVE COMMUNITY

in which all can feel valued



The University is renamed Loughborough University

1996



Olympic legend Lord Sebastian Coe is named as the University's Chancellor

2017



Awarded gold overall, gold for student experience and gold for student outcomes in the Teaching Excellence Framework

2023

The University wins the first of seven Queen's Anniversary Prizes for Higher and Further Education

1994

Loughborough University London opens

2015



More than 90% of Loughborough's research is rated as 'world-leading' or 'internationally excellent' in a national assessment of universities' research

2021

OUR STRATEGY

Creating Better Futures. Together is our bold and ambitious strategy that will guide the University over the next decade. It sets out our purpose, our values and our aims. It articulates our strategic priorities and what we are striving to achieve. It recognises the importance of our external influence and the impact of our actions on the world around us and emphasises the need to work together in partnership.

Our vision

We will be an internationally engaged research-intensive university that delivers meaningful impact and keeps students at our heart. Together we will use our distinctive strengths to support, inspire and empower people to achieve extraordinary things.

Our values

We will be:

- **Creative:** working imaginatively and innovatively, finding solutions and being smart in the way we apply our resources and capitalise on our strengths.
- **Adventurous:** setting progressive and ambitious goals and striving to achieve our best.
- **Responsible:** being accountable for our actions, taking care of ourselves, others and our environment.
- **Authentic:** being honest, trustworthy and open, respecting one another and building confidence across our community.
- **Collaborative:** fostering team spirit, creating a strong sense of community, working together with colleagues, students, alumni and partners.

Strategic aims

The strategy has six aims:

- Be more ambitious in our research and innovation endeavour
- Strengthen our sector-leading position for education and student experience
- Be more diverse, equitable and inclusive
- Intensify and extend the reach of our international engagement and impact
- Excel in sport and use our pre-eminence to create new opportunities
- Develop meaningful partnerships locally, regionally, nationally and internationally

Strategic themes

The strategy has three institutional-level themes which we will use to amplify the impact of our most significant strengths.

These themes will guide what we prioritise and how we operate and behave. They will influence our curricula, research, strategic partners, operations, and culture. At school level, we will continue to be a broad-based institution, producing high-quality research, driving innovation for societal and environmental benefit and educating a diverse range of students across the academic spectrum.



**Sport,
health and
wellbeing**



**Climate
change and
net zero**



**Vibrant and
inclusive
communities**

Putting the strategy into action

The strategy will be delivered through six core institutional plans that will guide the University's operations.

These plans will be supported by six Enabling Projects, which will address the organisational changes needed to ensure the University is well placed to progress its strategic aims.

University Council is responsible for monitoring the University's performance in delivering the *Creating Better Futures. Together* strategy. Council will consider key performance indicators (KPIs) aligned to the ambitions set out above, together with an overarching measure of financial sustainability and an overall assessment of institutional performance.



**TOGETHER WE WILL USE OUR
DISTINCTIVE STRENGTHS TO SUPPORT,
INSPIRE AND EMPOWER PEOPLE TO
ACHIEVE EXTRAORDINARY THINGS.**



Sector landscape

The higher education environment is continuously evolving, all within the context of challenging geo-political and macroeconomic landscapes. Our new strategy is designed to support us in anticipating and responding to change, to enable us to remain in a strong position.

Rising demand for university places: Competition for university places continues to grow. There are several contributory factors, including the impact of the pandemic on the graduate job market and higher student aspirations. Also, a rise in the number of 18-year-olds, which is expected to continue over the next few years, is adding to potential rapid student number growth.

Student needs and expectations: Levels of student debt and the disruption of the pandemic period have created greater expectations, and challenges. There are increasingly complex issues around student expectations, transition and learning skills, student mental health and digital poverty. The transition to university, now more than ever, is one that needs to be managed carefully to help to create a sense of belonging amongst a student population with increasingly diverse backgrounds and experiences of learning. Recent changes to financial support rules combined with the increased cost of living mean that many students, especially those from disadvantaged backgrounds, face significant financial hardship during their studies. Many have to work part-time, and this impacts how they can engage with their studies; creating equitable student experiences is increasingly challenging for universities.

Staff: The sector is facing a number of issues linked to employee relations including industrial action linked to pay and working conditions and the impact of high inflation. During the 2022/23 academic year, the impact on students was mitigated locally by our swift action, and we graduated all our students. However, the University has limited short-term influence over the continued growth in wages and salaries, as this is driven by contractual increments and the national pay bargaining.

More broadly, the buoyant employment market presents a recruitment and retention challenge, particularly in areas which are in direct competition for staff with the private sector.

Financial sustainability:

- **Eroding regulated fees:** Other than a small increase in 2017/18, tuition fees have barely changed since 2012 and are frozen until at least 2024/25. Operational costs continue to rise, especially so in the recent high inflation period, which makes the sustainability equation increasingly difficult to balance.
- **International recruitment:** Several challenges over the last few years, including the pandemic, changes to the student immigration policy and visas, and the impact of the EU Referendum result, have made it difficult to set realistic recruitment targets for international students. International student recruitment (which now includes students from the EU, post-Brexit) is increasingly important for financial sustainability given the eroding value of the regulated fee, even in the broader home undergraduate growth in the sector. Our ambition to increase the number of international students is common across the sector, and competition to increase overseas market share is higher than ever. The Office for Students (OfS) annual report on financial sustainability notes that international fee income as a proportion of total income is forecast to increase from 19.3% in 2021/22 to 24.0% in 2025/26, highlighting the sector's increasing reliance on international students' fees income to sustain their activities.
- **Research costs and recovery:** Research funding in the UK continues to provide a financial challenge, with typically only 80% of overhead costs, incurred by universities, covered by grant funding.

Higher Education (Freedom of Speech) Act 2023: Following Royal Assent on 11 May the bill is now an Act of Parliament (law). The bill gives the OfS an expanded role in ensuring that free speech is upheld across the sector, including through the appointment of a new Director for Freedom of Speech and Academic Freedom. This can be a difficult area for universities to navigate with high profile media cases. Universities need to find ways to balance their freedom of speech duties with their existing legal duties under the Equality Act 2010, the Prevent duty and the Public Sector Equality Duty.

Cyber risk: The threat of cyber attacks in the sector remains high, with high profile examples in the last year, and remains one of our strategic risks referenced on page 26. The challenge is multifaceted, with financial, reputational, operational disruption and data loss all significant risks.

REVIEW OF THE YEAR 2022/23

Progress against our strategic themes

The University's three strategic themes encapsulate Loughborough's significant strengths. They influence its curricula, research and strategic partnerships, and drive the University's international reputation.

SPORT, HEALTH AND WELLBEING

Best university in the world for sports-related subjects

Loughborough was named the best university in the world for sports-related subjects for the seventh year running by the global QS higher education league table. The QS ranking is based on a survey of academic staff that declare a speciality in the subject area, and employers who recruit graduates that specialise in the discipline. It also takes into account research output and impact, with both citations and paper output measured over a five-year period.

Loughborough was ranked in the QS global top 100 in five other subject areas: Library and Information Management; Art and Design; Engineering – Mechanical, Aeronautical and Manufacturing; Architecture and the Built Environment; and Communication and Media Studies.



BEST UNIVERSITY IN THE WORLD FOR SPORTS-RELATED SUBJECTS FOR SEVENTH YEAR IN A ROW

QS World University
Rankings by Subject 2023

The adidas Al Rihla Pro football – the official match ball used at the 2022 World Cup in Qatar – was tested on the University campus by PhD researchers Lauren Holmes and Ieuan Phillips from Loughborough's Sports Technology Institute.

The University's collaboration with adidas won the prestigious Royal Academy of Engineering Bhattacharyya Award for 2023.



£8.5m awarded to East Midlands partnership

The National Institute for Health and Care Research (NIHR) awarded £8.5 million to an East Midlands partnership that includes Loughborough University to deliver one of eight hubs of the new NIHR Research Support Service.

The partnership will work with research teams across England to develop and deliver ground-breaking health and social care research. The NIHR Research Support Service will provide researchers, especially those applying for and in receipt of NIHR funding, with access to support, advice and expertise in clinical and applied health and care research. The new service began in October 2023.



National Rehabilitation Centre announced

The Government approved plans in autumn 2023 for the development of the National Rehabilitation Centre (NRC), which will combine patient care, delivered by the Nottingham University Hospitals NHS Trust, with research, innovation and training led by Loughborough and Nottingham universities. The NRC will transform the lives of those who have experienced life-changing events including injury, trauma or illness.

The £105 million 70-bed specialist NHS facility will be built on the Stanford Hall Rehabilitation Estate – located close to the Loughborough campus. The Estate is already home to the Defence Medical Rehabilitation Centre; the co-location of the defence and the NHS facilities will enable expertise to be shared in ways that have never been possible before.

The NRC aims to be open to patients by the end of 2024.



Graduate's incubator wins prestigious award

Loughborough graduate James Roberts, the inventor of a neonatal incubator that has helped babies thrive in NHS hospitals and across war-torn Ukraine, received The Princess Royal Silver Medal, one of the Royal Academy of Engineering's most prestigious individual awards, in July. The Medal celebrates an outstanding personal contribution made to UK engineering by an early to mid-career engineer resulting in market exploitation.

In his final year of his Product Design course, James set out to help premature babies by designing a more compact, simple and cost-effective alternative to conventional incubators that is able to work in challenging environments and provides flexibility to caring for newborns.

The mOm Essential Incubator is being piloted in four NHS hospitals to ease the need for short-term admission to special care and to help maintain the core temperature of babies being moved around hospital sites. The system allows parents to stay closer to their baby and gives more flexibility in how babies are cared for across the hospital.

The mOm Essential Incubator can also be used in emerging economies and war zones. A total of 75 incubators have been sent to Ukraine, where they are being used to keep babies warm in hospitals and underground bomb shelters transformed into make-shift neonatal wards.

It is estimated that between 1,500 and 2,000 babies have been positively impacted by its incubators and Ukraine's Ministry of Health has asked for another 100 and is actively looking for funders to help meet the need.

CLIMATE CHANGE AND NET ZERO

Times Higher Education Impact rankings

In the 2023 Times Higher Education Impact Rankings, Loughborough was the top-rated UK university and ranked 15th globally for advancing Affordable and Clean Energy – the United Nations' Sustainable Development Goal (SDG) 7. It was also in the top ten of UK universities for SDG 8, focused on decent work and economic growth.

The THE Impact Rankings are an international assessment of universities' performance in moving forward the United Nations' (UN) 17 SDGs. These were adopted by the UN in 2015 as a universal call to action to end poverty, protect the planet, and ensure shared peace and prosperity for all people by 2030.

The Affordable and Clean Energy measure takes into consideration research and innovation, as well as the way universities manage their campuses, buildings and operations.



Times Higher Education
Impact Rankings 2023



The University is committed to contributing towards the United Nations Sustainability Development Goals, which are designed to address the global challenges we face to achieve a better and more sustainable future for all.

un.org/sustainabledevelopment



**1ST IN UK AND
15TH GLOBALLY
FOR ADVANCING
AFFORDABLE
AND CLEAN ENERGY**

Times Higher Education
Impact Rankings 2023

Vice-Chancellor's Awards

The annual Vice-Chancellor's Awards celebrate the contributions of exceptional people across the University, who have demonstrated their commitment to the University's strategy.

This year more than 200 nominations were submitted for the 17 awards. With the 2023 event centred on the Climate Change and Net Zero theme, the University has committed to planting a tree each year to commemorate the awards, which will eventually create a new wooded area on campus, leaving a lasting legacy of the award winners.



PassivHaus accreditation for SportPark extension

Pavilion 4 of the SportPark building on Loughborough University Science and Enterprise Park this year achieved Passivhaus Accreditation, widely regarded as the most challenging energy efficiency and comfort standard in the world. SportPark is the base for numerous sports organisations including British Wheelchair Basketball, UK Sport and UK Anti-Doping.

The project is the first Passivhaus development on the University campus and a step towards the goal to decarbonise the University estate to meet its zero carbon target by 2035. SportPark Pavilion 4 is also a unique living lab that enables the University's researchers to take detailed measurements of the building's performance and its energy efficiency to inform the design of the next generation of zero carbon buildings at the University.

SportPark Pavilion 4 was delivered by the Leicester and Leicestershire Enterprise Partnership (LLEP) as part of the Getting Building Fund. Funds were designated for investment in local, shovel-ready infrastructure projects to stimulate jobs and support economic recovery across the country. The LLEP was allocated £20m, supporting the SportPark expansion with £6m. Further funding support was provided by Loughborough Town Deal.



"Sustainability is a pillar of our economic growth strategy and, in funding SportPark Pavilion 4, we enabled development of a superb building at the highest standards of energy efficiency. In addition, the project has supported more than 410 jobs within the construction phase alone, brought additional sports-related organisations to our region, and created a living lab for local architecture students with an interest in sustainable building design."

Andy Reed OBE, LLEP Co-Chair

Innovative flood alert system rolled out

This year Loughborough University spinout Previsico launched the nationwide roll-out of innovative IoT technology that enables individuals and communities to build resilience against the impacts of flooding.

Previsico launched its first IoT-based flood alert system in 2021, after successful UK trials, and since then has twice enabled flood wardens in Whalley to take immediate action to prevent flooding in the town during heavy rainfall. Earlier this year, Liberty Specialty Markets became the first UK insurer to provide both real-time flood warnings to clients triggered by Previsico's IoT sensors, which were placed in watercourses close to their premises, enabling them to take proactive action to protect their assets from flooding.

Previsico has been on a fast-track since its launch on the Loughborough University Science and Enterprise Park in 2019, and it is now supporting brokers, insurers Liberty, Zurich, Generali, and their clients, with live, actionable warnings for surface water flooding. Working with Lloyd's Lab, underwriters agreed Previsico's warnings can mitigate 70% or more of commercial loss for businesses with a flood plan and resilience measures.



Sport sustainability summit

In November the University hosted the Sustainability in Sports Summit at Lord's Cricket Ground in London, attended by world-leading academics, international sports brands, national sports bodies and top business leaders. At the event, sports ecologist Dr Maddy Orr, from Loughborough University London, launched a report, commissioned by the United Nations (UN) Environment Programme, into how sports can act to protect nature.

It is hoped the report will be a step towards an international action campaign to coordinate sport's response to the three interlinked issues of climate change, pollution and biodiversity loss in the lead up to the Paris 2024 Olympic and Paralympic Games and throughout the UN's Decade On Ecosystem Restoration initiative.

£2.6m for new national solar facility

Loughborough was awarded £2.6m to open a new national facility that will increase understanding of how solar cells and other electronic devices that interact with light work. Funded by the Engineering and Physical Sciences Research Council, the National Facility for High Resolution Cathodoluminescence (CL) Analysis will be the first of its kind globally and open to researchers from around the world.

The facility will aid with the development of solar cell technologies, LEDs, quantum dots and other devices that operate on both light and electrical currents, known as 'optoelectronics'. The new facility will house a scanning electron microscope and a scanning transmission electron microscope, both with cathodoluminescence capabilities.

Partnerships in nature

At the United Nations (UN) Biodiversity Conference (COP15) in Montreal, Canada, in December, Loughborough became one of the founding members of a new network, the Nature Positive Universities Alliance, of more than a hundred universities around the world that have pledged to work together to promote nature on their campuses, in their supply chains and within their cities and communities. The network is part of the UN Decade on Ecosystem Restoration, a movement to avert climate catastrophe and mass extinction. As a member of the Alliance, the University has pledged to assess the impact of its activities on biodiversity, to set itself and work towards measurable targets and to make transparent annual reports on its progress.

Three months later Loughborough was named as one of the UK's leading universities for its care of wildlife on campus and in the wider community, in a new study led by wildlife care experts Ark Wildlife, with the University meeting all the criteria in the top 'platinum tier'.

In March the University also became one of Leicestershire County Council's partners in the Leicestershire Climate and Nature Pact, based on the principles of the Glasgow Climate Pact, signed by the UK government in 2021. The Leicestershire Pact brings together a range of representatives from, for instance, businesses, community enterprises and the public sector to work towards the common goal of making Leicestershire a net zero county by 2045.



**7
BUMBLEBEE
SPECIES**



**6
BAT
SPECIES**



**159
MOTH
SPECIES**



**2
ANCIENT
WOODLANDS**



**BRONZE AWARD
2022/23
Hedgehog Friendly Campus**



VIBRANT AND INCLUSIVE COMMUNITIES

Centre for Research in Social Policy marks milestone

Decades of improving living standards in the UK and around the world were celebrated this year as Loughborough's Centre for Research in Social Policy (CRSP) marked its 40th anniversary.

Since its establishment in 1983, CRSP has improved people's lives through social policy change. Its work covers a range of areas, from the cost of raising a child through to poverty at the end of life, and includes the Minimum Income Standard (MIS). CRSP researchers published the first MIS report in 2008, setting out a basket of goods and services – agreed by members of the public – that people should be able to afford in order to live in dignity in the UK.

MIS is now used to calculate the Living Wage, which is paid by more than 13,000 UK employers, including the University. Its application to life in rural Scotland has a direct impact on how the Scottish government monitors fuel poverty and MIS has also been adopted by countries in Latin America, Africa, Asia and other parts of Europe.

The latest annual update to the UK's MIS, published in September 2022, showed a growing gap between what people have and what is considered to be a decent standard of living, caused in part by the cost-of-living crisis. The month before the update, former Prime Minister Gordon Brown joined with 56 faith groups, charities and politicians to call on the government to take urgent action to bridge the cost-of-living gap faced by the lowest income families. The call was in response to a report written by the then Director of CRSP, Professor Donald Hirsch, which revealed the gap between the support offered by the government to households and the anticipated rise in living costs.



New Loughborough-London partnership

A new partnership announced in December will see Hackney Council and Loughborough University London working together to help strengthen health and wellbeing and create vibrant, inclusive communities in the London borough.

The Council will use insight from the University to inform its ambitions to build a fairer, greener local economy and a more environmentally sustainable borough. The University will use the agreement to ensure its research delivers real social, economic and educational value for the local community.

The partnership builds on a long-standing collaboration since the University first moved to Hackney eight years ago. The Inspiring Success programme, for example, has supported more than 100 unemployed or under-employed graduates from east London through employability workshops and scholarships at Loughborough University London. This has already seen 37 people graduate with postgraduate qualifications. Of those completing their studies 79% are already in graduate level employment.

"Having renowned institutions like Loughborough University based here in Hackney is a major advantage to the borough and at the heart of a long-term legacy from London 2012."

"This partnership is a milestone in our commitment to collaborating more actively with these organisations to ensure local people and businesses here in Hackney are the first to benefit from the expertise they bring."

Philip Glanville, Mayor of Hackney

New campus accessibility guide

This year the University launched a new accessibility guide for its Loughborough campus, developed in partnership with AccessAble – a digital platform, available via the AccessAble App and their website, that guides users around venues across the UK and Ireland.

The Loughborough guide provides information on a range of facilities, such as the location of toilets, changing facilities and entrance ramps, for all of its buildings and bookable teaching spaces.

Increasing female participation in wheelchair rugby

Loughborough University is to collaborate with World Wheelchair Rugby (WWR), Great Britain Wheelchair Rugby (GBWR) and UK Sport on a study that researchers hope will increase female participant levels in the sport.

Wheelchair rugby is an open sport that can be played by any individual who has been classified regardless of their gender. The research will look to determine whether the current competition rules appropriately reflect any difference in arm and trunk muscle strength between male and female players and whether other additional changes could help involve more female athletes. The project is a natural progression from earlier work on classification-related projects that Loughborough's Peter Harrison Centre for Disability Sport undertook with the Para sports of Para canoe and wheelchair basketball.

Creating an inclusive, welcoming campus environment

Throughout the year the University's staff and student communities played an integral role in spotlighting and addressing concerns and inequalities faced by many. Events and activities marking key awareness days enabled all members of the University to play an active part in creating and maintaining an inclusive, welcoming environment where people are valued and respected.

To mark **Disability History Month** towards the end of 2022, staff shared their personal experiences of having a disability in a new video hosted on a dedicated 'Staff and Student Voices' section of the website; Hannah Lancaster, a Loughborough Psychology student, read a selection of poems she had written about the impact that concussion has had on her; and the students' Disability Support Network launched its #DontDisMyAbility campaign which aims to celebrate the experiences of students through videos and blog posts.

Disability History Month



Among the events curated by the University's **LGBT+ Staff Network** this year, as part of February's #BehindTheLens-themed LGBT+ History Month, was a keynote talk by Jake and Hannah Graf, described by The Guardian as "the UK's most influential LGBT+ power couple". Hannah and Jake discussed their TV documentary that followed their journey to becoming trans parents, and Jake also talked about his experience of working as an international multi-award-winning director, writer and actor.

LGBT+
History
Month

In October the University hosted three prestigious speakers as part of its 2023 **Black History Month** events programme, themed 'Saluting our Sisters'. Poet and playwright Carol Leeming MBE gave a talk on 'The History and Legacy of Slavery'; Tracey Fox, an expert in workplace race relations, spoke about the 'Legacies of Slavery in Higher Education'; and Nicole Acquah performed her play, 'Sankofa', shortlisted for the Women's Prize for Playwriting.

BLACK HISTORY MONTH

1 - 31 October

REVIEW OF THE YEAR 2022/23

Progress against our strategic aims – highlights of our achievements during 2022/23.



Be more ambitious
in our research and
innovation endeavour



Strengthen our
sector-leading position for
education and student experience



Be more diverse,
equitable and inclusive



Intensify and extend the
reach of our international
engagement and impact



Develop meaningful
partnerships locally, regionally,
nationally and internationally



Excel in sport and use
our pre-eminence to
create new opportunities

EXTENDING THE REACH OF OUR INTERNATIONAL ENGAGEMENT AND IMPACT

OVER
3,750
OF OUR
STUDENTS ARE
INTERNATIONAL
(December 2022)



135+ PARTNERS IN EUROPE
FOR STUDENT EXCHANGE
INCLUDING AUSTRIA,
DENMARK, GERMANY,
PORTUGAL AND SLOVENIA

130
OUR STUDENT
COMMUNITY HAILS
FROM OVER
130 COUNTRIES/REGIONS

5*

A 5 STARS PLUS
INSTITUTION
one of only 20 worldwide
International QS Stars
Scheme 2023



Overseas visits strengthen global partnerships

A series of overseas visits by the Vice-Chancellor and other senior staff have helped to strengthen the University's global partnerships.

A visit to India reinforced the University's long-standing links with the Indian Institutes of Technology and laid the foundations for exciting new research, innovation and education links, including the potential development of a Loughborough-led Indo-UK Centre for Doctoral Training. In the Middle East the University was able to explore opportunities around sport in Saudi Arabia and Qatar and potential links with Princess Nourah University, the largest women's university in the world.

A visit to MIT in the US allowed the University to explore the expansion of the two institutions' collaboration, building on the event it co-hosted at Loughborough University London with the MIT Sloan School of Management in December to explore the emergence and potential applications of the metaverse; and at the University of Oregon, the University discussed research initiatives that would harness sport as a vehicle for positive change.



New partnership expands opportunities for international students

In December the University announced a new partnership with Cambridge Education Group, which delivers high quality academic programmes that are the stepping-stone for international students to progress onto courses at the world's leading universities.

As part of the partnership, Cambridge Education Group will have a dedicated Centre on the University's East Midlands campus. The first cohort of students began programmes in Loughborough in September 2023 and, on successful completion, will have the opportunity to join a Loughborough degree programme the following academic year.

"Partnering with Loughborough University will provide international students with access to a world-class university. Loughborough's reputation for exceptional teaching and an ambitious and inclusive student experience will advantage students in a competitive global job market. We are proud to support international students to develop their academic and professional skills in a modern, research-driven University."

*Brendan Webb, CEO, Commercial,
Cambridge Education Group*



Supporting Ukraine

In response to the ongoing conflict in Ukraine, Loughborough signed an agreement with the Ukrainian Global University to help students and researchers continue their studies and be ready to support Ukraine's post-war recovery.

This year the University also welcomed its first Ukraine Academic Fellow to the School of Social Sciences and Humanities; three Doctoral Researchers began PhDs at Loughborough in October, having received one of the University's Ukraine scholarships; and staff and students from the School of Architecture, Building and Civil Engineering worked with Ukrainian students and school-leavers on a project to develop the students' skills and knowledge that will be needed for the post-war reconstruction of their cities.

Appointment of international Special Envoys

Twelve Special Envoys, who will lead the University's regional strategy in priority countries, were appointed this year. The Special Envoys are:

East Asia

Professor Ksenia Chmutina (Architecture, Building and Civil Engineering) and **Professor Wen-Feng Lin** (Aeronautical, Automotive, Chemical and Materials Engineering)

India

Dr Kirti Ruikar (Architecture, Building and Civil Engineering) and **Professor Bala Vaidyanathan** (Aeronautical, Automotive, Chemical and Materials Engineering)

Middle East and North Africa

Dr Ali Bilgic (Social Sciences and Humanities) and **Professor Tarek Hassan** (Architecture, Building and Civil Engineering).

North America

Ally McDonald Alonso (Professional Services) and **Professor Kurt Barth** (Mechanical, Electrical and Manufacturing Engineering)

South-East Asia

Dr Mey Goh (Mechanical, Electrical and Manufacturing Engineering) and **Professor Eef Hogervorst** (Sport, Exercise and Health Sciences)

Sub-Saharan Africa

Dr Sola Afolabi (Architecture, Building and Civil Engineering) and **Dr Hibbah Osei-Kwasi** (Sport, Exercise and Health Sciences).

AMBITIOUS IN OUR RESEARCH AND INNOVATION ENDEAVOUR

OVER
90%

OF LOUGHBOROUGH'S
RESEARCH IS
'WORLD-LEADING' OR
'INTERNATIONALLY-
EXCELLENT'

Research Excellence
Framework 2021

94%

OF LOUGHBOROUGH'S
RESEARCH IMPACT IS RATED
AS 'WORLD-LEADING'
OR 'INTERNATIONALLY
EXCELLENT'

Research Excellence
Framework 2021



**AWARDED 5*
FOR RESEARCH**

International QS Stars
Scheme 2023



**AWARDED SEVEN
QUEEN'S ANNIVERSARY
PRIZES**

for the quality of
our research



Loughborough part of new 'National Wind Tunnel Facility+'

The University is set to receive a share of a £23 million investment by UK Research and Innovation to establish a 'National Wind Tunnel Facility+' – a network of world-leading wind tunnels that will address societal and industrial challenges including the generation of net zero technologies; advances in emissions reduction; and future technologies for transport, energy, and healthcare.

Loughborough is world renowned for its research in the field of automotive aerodynamics. The new wind tunnel will be used to expand the University's research capability in understanding the behaviour of wheel sprays, complementing its existing large automotive wind tunnel facility.

Planning and construction of the wind tunnel is due to begin in April 2024.



Success recognised in Knowledge Exchange Framework

Loughborough's success in commercialising its research and working with business, the public and the third sector was underlined in the third iteration of the Knowledge Exchange Framework (KEF), announced in September 2023.

The KEF, which is produced by Research England and provides information on the knowledge exchange activities of higher education providers in England, groups institutions into 'clusters' of peers – institutions with similar characteristics such as how much research they do and in what subject areas. Loughborough University was in Cluster X, described as "large, high research intensive and broad-discipline universities undertaking a significant amount of excellent research".

Loughborough was in the highest quintile – quintile 5, classed as 'very high engagement' – for Working with business; Working with the public and the third sector; and Intellectual Property (IP) and commercialisation.

Loughborough was above the Cluster X average in four of the seven perspectives (IP, Local Growth, Working with Business, and Working with the public and the third sector).

Loughborough also performed strongly in Local growth and regeneration, placing in quintile 4 ('high engagement'), and continued to see improvement in the Public and community engagement category.



The University's Policy Unit, launched this year, will help the University to augment, better coordinate and amplify its engagement with those involved in policy and legislation development. The Unit will support Loughborough's researchers and academics in engaging with key opinion formers, such as politicians and their advisors, think tanks, research institutes, advocacy groups and trade associations.



First UK Young Academy members

Four Loughborough academics were among the first members of the new UK Young Academy – a network of early career researchers and professionals established to help tackle local and global issues and promote meaningful change.

The UK Young Academy, part of the global initiative of Young Academies, is an interdisciplinary collaboration with the following: the Academy of Medical Sciences, the British Academy, the Learned Society of Wales, the Royal Academy of Engineering, the Royal Irish Academy, the Royal Society of Edinburgh, and the Royal Society.

The Loughborough members are Dr Ana Blanco Alvarez, Dr Anthony Kevins, Dr Kinga Morsanyi and Dr Dominic Willmott. With their appointment, Loughborough is home to more UK Young Academy members than any other UK university. The Loughborough academics, and their fellow members from across academia, charity organisations and the private sector, will have the chance to inform local and global policy discussions, galvanising their skills, knowledge and experience to find innovative solutions to the challenges facing societies now and in the future.



Investment in research and innovation talent development

In March the University announced more than £2m of investment in four new cross-disciplinary doctoral research clusters, which will tackle complex global issues aligned to the University's strategic themes of Climate Change and Net Zero; Sport, Health and Wellbeing; and Vibrant and Inclusive Communities.

- EcoSENSE will develop advanced multi-sensing technologies to monitor the health of soil and water systems to help tackle the climate and pollution crisis.
- Hybrid 3D Concrete Printing is an interdisciplinary exploration across design, materials and manufacturing to enable hybrid-3D concrete printing to deliver net zero construction.
- Inclusive Engineering; People to Products will develop future leaders in engineering with expertise in equity, diversity and inclusion practices within engineering research and technology development.
- Sports for Climate Action and Nature is a collaborative, cross-disciplinary approach to address the complex, bi-directional relationship between sport and climate and biodiversity action.

Each of the new research clusters has five fully-funded Vice-Chancellor's Scholarships to attract and nurture talented, high-calibre doctoral research students and bring new collaborative opportunities for academic researchers and valued industry partners.



**OVER 1,200
RESEARCH
STUDENTS**
(December 2022)

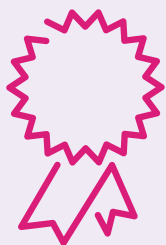


**OVER 800 STAFF
MEMBERS WITHIN
RESEARCH, TEACHING
AND ENTERPRISE**
(December 2022)



Loughborough research and innovation initiatives picked up a total of six awards at the 2023 LeicestershireLive Innovation Awards: five of the 10 category awards and the overall Innovator of the Year honour, which went to CarbonVue, an industry-first digital solution to help UK businesses rise to the net zero by 2050 challenge. CarbonVue's development has been supported by Loughborough supply chain experts and trialled with Tata Steel UK and Moovero.

A SECTOR-LEADING EDUCATION AND STUDENT EXPERIENCE



**7TH IN THE
COMPLETE UNIVERSITY
GUIDE 2024**

**RANKED 10TH
IN THE
GUARDIAN LEAGUE
TABLE 2024**

**10TH IN THE
TIMES AND SUNDAY
TIMES GOOD
UNIVERSITY GUIDE
2024**

**1ST FOR
UNIVERSITY
FACILITIES**
WhatUni Student
Choice Awards 2023

**RANKED 7TH
IN THE UK
FOR STUDENT
SATISFACTION**
THE analysis of the NSS 2023

**AWARDED 5*
FOR TEACHING AND
EMPLOYABILITY**
International QS Stars
Scheme 2023



TEF Triple Gold

Loughborough was awarded triple gold, the highest accolade possible, in the latest Teaching Excellence Framework (TEF), announced in September 2023. It was one of only six high tariff universities to be awarded gold for each criteria.

The TEF is run by the Office for Students to encourage higher education providers to deliver excellence in teaching, learning and study-related outcomes for their students. Universities receive an overall rating as well as two underpinning ones – for student experience and for student outcomes – with Loughborough receiving gold for all categories.

TRIPLE GOLD



Scholarships to support AI and Data Science workforce

In April the University secured 50 scholarships worth £10,000 each, funded by the Department for Science, Innovation and Technology and Office for Artificial Intelligence, as part of a wider initiative, led by the Office for Students, to increase diversity and address digital skills gaps in the AI and Data Science workforce.

Loughborough's scholarships will be granted in the 2023/24 academic year to UK students from underrepresented groups, with priority given to female students, black students, students with a disability and students from low socioeconomic backgrounds. They will be offered in four MSc programmes: Data Science; Artificial Intelligence and Data Analytics; Cyber Security and Data Analytics; and Digital Finance.





Pioneering fund allows students to support students

Loughborough alumna Margaret (Meg) Dawson donated \$250,000 to the University to launch the Loughborough Student Managed Fund (LSMF), the first such fund of its kind which will give a group of students the opportunity to manage a real-world investment portfolio. The goal of the Fund is to create positive returns to be used solely to support financially disadvantaged students.

The Fund will be managed by a student committee, selected on an annual basis. In turn, they will work with fellow students in the Loughborough Finance and Investment Society to make quarterly investment decisions, including purchasing stocks. By engaging in this unique project, students will have the chance to gain a greater understanding of investment as well as the opportunity to enhance their experience and skills relevant for their future careers.

The Fund will provide an annual philanthropic donation from dividends to support the University's Access to Education programmes, with a current focus on supporting Opportunity Scholarships.

"I believe all students who qualify for a university place should not be denied by a lack of funds."

"The LSMF – managed by and for students – is a prototype, a first of its kind in the UK. My vision... is to expand with additional individual and corporate support to build closer relationships between academia and the business community for the benefit of all."

Meg Dawson



DigiLabs to support STEM students

Just before Christmas 2022, the Office for Students, the independent regulator of higher education in England, announced its allocation of a multi-million-pound funding pot to support investment in new buildings, facilities and equipment, with Loughborough receiving £5.8m, the maximum amount possible, for its DIGILabs bid.

The new suite of DIGILabs will enable Loughborough's students to develop the skills and knowledge to become future-fit for the world of work where digital skills, data analytics, virtual and augmented reality play a key part. The four labs will focus on extended reality learning; 3D data capture and visualisation; robotics; and simulation, modelling and artificial intelligence.

The development of the DIGILabs will transform the University's teaching over the next few years, ensuring that Loughborough's students and graduates are able to become familiar with the latest technologies and new ways of learning and working.

DigiLabs

An immersive digital learning experience



The University's Student Success Academy is a dedicated programme of support for the key transitions in a student's journey: from settling in at university, returning from a year on placement to readying themselves for work as a graduate.

1,600+
STUDENTS
PARTICIPATING

MORE THAN
60
WORKSHOPS
AND EVENTS

402
HOURS OF PEER
AND ALUMNI
MENTORING PROVIDED

47
PAID INTERNSHIPS
AWARDED TO STUDENTS
TRADITIONALLY
UNDERREPRESENTED
AT UNIVERSITY

LOUGHBOROUGH BUSINESS SCHOOL



The School of Business and Economics changed its name to Loughborough Business School as part of a major rebrand, with aims to be the first-choice business school for purpose-led people and organisations.

MEANINGFUL PARTNERSHIPS - LOCALLY, REGIONALLY, NATIONALLY AND INTERNATIONALLY



**THE UNIVERSITY WORKS
WITH OVER
1,300 ORGANISATIONS
WORLDWIDE**

**including adidas, Arup,
Caterpillar, Ford and
Rolls Royce Plc.**



A new independent investment company

This year Midlands Innovation, a group of eight research intensive universities including Loughborough, announced the establishment of Midlands Mindforge Limited – a new investment company that will accelerate the commercialisation of university spinouts and early-stage Intellectual Property (IP) rich businesses in the region. The company plans to raise funds from strategic corporate partners, institutional investors and qualifying individuals to transform ground-breaking science and technology into successful businesses with real-world impact.

Although the Midlands region has long been associated with exceptional invention and creativity, it has experienced significant underinvestment in early-stage technology businesses; Midlands Mindforge Limited will help to address that by laying the foundations of a more vibrant ecosystem for emerging science-backed companies in areas such as Clean Technology, AI and Computational Science, Life Sciences and Health Tech.

By cultivating an environment where staff, researchers and postgraduate students with commercial ideas can benefit from early access to investment, the new initiative will create opportunities for people, the place and partnerships to flourish, and support levelling up within the Midlands.

“Commercialising UK science and technology for global industrial adoption has never been more urgent – for both the UK economy and the global resource challenges facing us. The Midlands Innovation universities are driving a new era of innovation from robotics and advanced manufacturing to life science and autonomous vehicles and much more... The Midlands is rapidly becoming a world class UK cluster of excellence and Midlands Mindforge will play a key role in bringing global investors to help back world class companies.”

*Minister of State for Science, Research and Innovation,
George Freeman MP*



Caterpillar collaboration looks to the future

This year Loughborough University and Caterpillar formally agreed to continue their strategic collaboration to accelerate innovative technologies within the off-highway powertrain sector.

The collaboration began in the late 90s and led to the establishment on the University campus of the Innovation and Research Centre (IRC) with world-class facilities and expertise in the field of engines, engine sub-systems and hybrid powertrain systems development. The IRC – the first long term collaboration between Caterpillar and a university in Europe – delivers research that addresses fundamental questions, discovering and developing new engineering processes and components applied worldwide by Caterpillar and its global supply chain.

Caterpillar’s collaboration with Loughborough is having a profound impact on the provision of industrial skills, providing invaluable professional development to all levels of engineers in the company through bespoke courses, as well as recruiting more UK-based graduates from Loughborough than any other university.

“It is rare that we are able to step back and appreciate the excellent work that the Loughborough and Caterpillar teams have achieved. We look forward to working together to ensure the synergy between great technical research and future talent continues long into the future.”

*David Goldspink,
Caterpillar Vice President and General Manager*





Town Deal funding drives forward sport, business and wellbeing

In October the University was awarded a grant of £2.5 million from the Loughborough Town Deal to help drive forward a number of initiatives in sport, business, and health and wellbeing.

A proportion of the grant supported the expansion of SportPark on Loughborough University Science and Enterprise Park (LUSEP). The development of the fourth SportPark pavilion is enabling the University to attract more sport-related organisations and businesses to LUSEP, underlining its global reputation for sporting excellence and helping to generate further job opportunities in the region.

Some of the Town Deal funding is also being used to support 60 new businesses through a New Business Wayfinder programme that provides office space, access to coaching, training, expertise, and innovation and prototype labs on LUSEP and in the town.

A further portion of the funding will help the University to support the health of the local community and improve the connectedness between the railway station, the town centre and LUSEP.



Membership of the Association of Commonwealth Universities

This year the University became a member of the Association of Commonwealth Universities (ACU) – a collaborative network of more than 500 institutions across 50 countries that use higher education as a cornerstone to build stronger societies and a better world.

Loughborough's membership of the ACU will enable it to collaborate with other member universities on initiatives that tackle today's global challenges, such as climate resilience, and have the opportunity to contribute to high-level international policy agendas at Commonwealth ministerial meetings and the United Nations, for example. Staff and students will also be able to access funding for grants, fellowships and scholarships, training and education events, and opportunities to share best practice.



Formal recognition of thriving Loughborough partnership

The shared goals of Loughborough University and Loughborough College – to help lead, support and shape the educational and skills ecosystem within Loughborough and the wider region – were formally recognised in April with the signing of a Memorandum of Understanding. The agreement underlines a joint commitment to creating an education provision that will deliver exceptional outcomes to those in the community, helping to build a culture of aspiration and success for young people across the region.

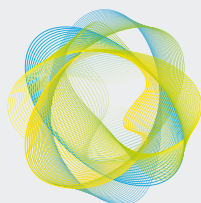
The history and development of both the University and Loughborough College have been intertwined for decades. The two institutions have worked together on a range of issues, including the creation of an East Midlands Institute of Technology, which will create the highly advanced workforce needed to lead the digital revolution, and the broadening of a partnership around sport through the NFL Academy, which relocated to the College and University for the start of this academic year.



Global Sport University Network launched

This year Loughborough hosted the first meeting of the new Global Sport University Network (GSUN) – a collective of universities from around the world that harnesses knowledge on sport to solve timely, complex problems, addressing topics that no one university could fully address on its own. Alongside Loughborough, GSUN comprises: German Sport University Cologne, Massachusetts Institute of Technology, Nanyang Technological University, University of British Columbia, University of Cape Town, University of Oregon, University of Queensland, University of São Paulo and Waseda University.

The network aims to convene dialogue and co-working between academics, industry, governing bodies, sport commissions and the media, focusing initially on health and performance, inclusivity, political and societal change, and sustainability.



GSUN
GLOBAL SPORT
UNIVERSITY NETWORK

BECOMING MORE EQUITABLE, DIVERSE AND INCLUSIVE



**AWARDED 5*
FOR INCLUSIVENESS**
International QS Stars
Scheme 2023



New gym sets inclusivity and accessibility benchmark

The University's Powerbase gym extension was officially opened in March by UK Sport CEO Sally Munday, following significant financial investment. The new facility, which has doubled the size of the University's elite strength and conditioning environment and is equipped with the highest level of training equipment, is fully inclusive and accessible, setting new benchmarks in the sector.

Accessibility features include entry through wide access speed gates, no raised platforms, increased space around equipment and a single level training environment. Platform and equipment colour and contrast differentiation has been incorporated throughout to support athletes with visual impairments. Focus groups with practitioners from national governing bodies, EIS (English Institute of Sport) and Loughborough Sport helped define accessible rack designs, including moving weights to a one level central toaster storage design, wider dip bars and moveable pull up bars – all key innovations to allow easier access and training for wheelchair users.



Loughborough signs Social Mobility Pledge

The University has partnered with the Purpose Coalition and the former Education Secretary the Rt Hon Justine Greening to sign up to an innovative framework, the Social Mobility Pledge, that will measure Loughborough's social impact. The University's activities and social impact will be mapped against a series of 14 Purpose Goals that cover areas such as education and training opportunities, career progression, and good health and wellbeing, and provide a universal benchmark against which organisations can measure their impact.

"As anchor institutions in their local communities, universities can spread opportunities to those from different backgrounds. Not only that, but they are huge employers and can have a real impact through their role as a procurer of goods and services. Our Purpose Goals give a clear benchmark for universities and other organisations to evaluate their social impact and identify areas where they can go further... I'm looking forward to working with Loughborough University and exploring ways in which the University can maximise its social impact."

Former Education Secretary,
the Rt Hon Justine Greening



Consecutive league titles for Loughborough Lightning Wheelchair Basketball

Loughborough Lightning Wheelchair Basketball secured consecutive league titles following another incredible campaign in the Women's Premier League. Victory over East London Phoenix ensured that the side claimed back-to-back wins at the National Championship Finals in Manchester in May. The result capped a remarkable feat for a side that has only lost one game over the past two seasons. Loughborough Lightning were formed in 2021 as British Wheelchair Basketball launched the Women's Premier League – the very first professional Para sport league in the UK.





Engaging young students in science, engineering and technology

For the second successive year, Loughborough was selected to display its research at two prestigious science festivals, helping the University to engage young students in science, engineering and technology.

The Revolutionising Rehabilitation exhibit, one of just nine displays at the Royal Society Summer Science Exhibition in London in July, showcased the work of scientists and clinicians from Loughborough University, the University of Nottingham and the Nottingham University Hospitals NHS Trust, who are working together at the National Rehabilitation Centre (NRC), a major new NHS rehabilitation facility being built on the Stanford Hall Rehabilitation Estate near Loughborough.

The exhibit featured the science that underpins the NRC's vision for personalised rehabilitation, including how muscle can be bioengineered in the lab to rebuild damaged tissue and the way prostheses and implants can be tailored to individuals.

In June, Loughborough researchers also took part in the Cheltenham Science Festival. One display showed how people's perceptions of their bodies can be different to how they appear on the outside, and a second revealed how researchers are transforming biomass into fuel and everyday items with the help of special new catalysts.



Black in Sport Summit raises the bar

The second annual Black in Sport Summit was held in May. The Summit was established by four Loughborough students – Ladi Ogunmekan, Samuel Ola, Faith Oluwaremi and Emmanuel Shittu – who wanted to change the narrative around black people in sport. The event celebrates the achievements of those working in the industry, showcases career path opportunities for university and school students, and is a platform for important conversations on racial inequality and under representation within sport.

In just two years, the Summit has become a transformative platform for a more inclusive and representative sports landscape. In 2023 media giant Sky became the Summit's key commercial partner, the event moved to Olympic Stadium in London, and the number of speakers doubled, with the line up including Formula One's Sir Lewis Hamilton, Team GB swimmer Alice Dearing and Tony Burnett, CEO of Kick it Out.

To further the Summit's outreach, the 2023 event was extended to other universities, as well as schools within the London Stratford region, and attendance increased by 50% on the previous year. Sky Sports and other partner companies offered the chance for attendees to secure work placements with their organisations to further their employability skills and open up new pathways into the industry.

The Summit's founding students' achievements in driving real change within the sports community was recognised at this summer's degree ceremonies, with the quartet all awarded University Medals.



Athena Swan Bronze award

In September Loughborough secured another institutional Bronze Athena Swan Award. The Athena Swan Charter is a national initiative run by sector body Advance HE, which acts as a valuable framework in advancing gender equity within higher education institutions.

Loughborough has held Athena Swan awards since 2009 and its 2023 action plan is its most inclusive yet, reinforcing the University's commitment to progressing gender equity in an inclusive and intersectional manner.



EXCELLING IN SPORT



First Pro Vice-Chancellor for Sport appointed

Jo Maher was appointed as the University's first Pro Vice-Chancellor for Sport. A University alumna, and former Principal and CEO of Loughborough College, Jo is a member of the FA Council and its National Game Board, Chair of the English Colleges Football Association and has more than ten years' experience as a sports psychologist. In her role at the College, Jo built on its sporting success supporting 15 national sports governing body partnerships.

Alongside her role as Pro Vice-Chancellor for Sport, Jo will take up the post of Professor of Practice in the School of Sport, Exercise and Health Sciences.



**UNBEATEN BUCS
CHAMPIONS**
for 42 years running (2023)

LOUGHBOROUGH UNIVERSITY IS THE HUB FOR SPORT IN THE UK

British Swimming, British Triathlon, England and Wales Cricket Board Performance Centre, Lawn Tennis Association Tennis Centre and England Netball are all based on campus

PARALYMPIC NATIONAL GOVERNING BODIES (NGBS) WITH PERFORMANCE PROGRAMMES AT LOUGHBOROUGH

includes Para-Athletics, Para-Cycling, Para-Swimming and Para-Triathlon



Significant sports achievements

The summer saw some amazing sports achievements for Loughborough, with victories in the British Universities and Colleges Sport (BUCS) Championship, at Wimbledon, at the UK Athletics championships, and in the netball Super League.

In July, Loughborough was presented with the BUCS Championship title for the 42nd consecutive year, with a final total of 9,311 points – a sector-leading score that eclipses last year's result of 7,999 points, another record held by the University.

The same month, six Loughborough students won 11 medals at the UK Athletics Championships in Manchester – six gold, one silver and four bronze. Almost 60 current Loughborough students and 90 alumni or Loughborough-based athletes competed at the event.

In June, Loughborough Lightning won their second netball Super League title in three years, after coming from behind to beat London Pulse at the Copper Box Arena in London; and on the closing day of Wimbledon tennis tournament, Henry Searle, who is part of the Loughborough University National Tennis Academy, ended Britain's 61-year wait for a boys singles champion, becoming the first British boy to win the trophy since Stanley Matthews in 1962.





Partnerships support community, club and country sport

This year the University entered into a number of significant sports partnerships.

In June the UK Sports Institute (UKSI) and Loughborough pledged to collaborate on research and innovation, knowledge and resource sharing, and the development of Paralympic practitioners to ensure that Great Britain remains at the forefront of Paralympic sports science. Loughborough's world-renowned Para sport performance and rehabilitation research is delivered through its Peter Harrison Centre for Disability Sport.

At the start of 2023, the University and Loughborough College agreed a community development partnership with London-based football club Hackney Wick to create a new football academy offering quality education and guidance to Hackney Wick's emerging talented footballers. As part of the agreement, members of the academy will have the opportunity to enrol onto Loughborough College's BTEC Level 3 National Extended Diploma in Sports Coaching and Development, delivered from Loughborough University London on the Queen Elizabeth Olympic Park, and attend the University's East Midlands campus for training camps and matches.

In December Loughborough became the official higher education partner of West Ham United Women – the first partnership of its kind in the Barclays Women's Super League, which includes research, athlete education programmes and access to performance support expertise. The University will provide an alternative education pathway for West Ham United Women's players and coaches through Scholarships and BTECs at the University's London campus and Loughborough's students will be able to apply for internships at the Club.

"We believe this partnership (between the University and West Ham United Women) can be a game changer for our Club, women's football and women's sport over the next three years – specifically, through providing academic support to our players and allowing them to study at one of the most prestigious universities in the world, as well as exploring research opportunities to gather more data on women's football and aid our performances on the pitch."

Aidan Boxall,
West Ham United Women's General Manager



World Athletics Championships

Loughborough athletes produced some extraordinary performances at the World Athletics Championships in Budapest in September 2023, bringing home a medal haul of three golds, one silver and two bronze after nine days of competition in Hungary.

Recent Business Analytics graduate Ben Pattison won a shock 800m bronze on his World Championships debut, just three years after being diagnosed with a potentially life-threatening heart condition. Great Britain's men's 4x400m relay team, which featured three Loughborough athletes – alumni pair Rio Mitcham and Charlie Dobson and current PhD student Alex Haydock-Wilson – also picked up bronze, adding to Rio Mitcham's personal medal tally, after he helped Great Britain to a dramatic mixed 4x400m relay silver on the opening day.

In the heptathlon, University-based Katarina Johnson-Thompson won her second world title, while Chase Ealey, who's based at Loughborough, won gold for the USA in the shot-put and Neeraj Chopra – who used the University as his winter training base – made history by winning India's first-ever gold medal at a World Championships in the javelin.

Loughborough's medal contribution ensured that Great Britain finished seventh in the overall table with ten medals – equalling their best-ever record at the Worlds from 1993.

Loughborough's long-standing success in athletics was formally recognised during the World Athletics Championships with a celebratory event, delivered in collaboration with sports governing body World Athletics and Lord Seb Coe (the University's Chancellor and President of World Athletics). Attendees included stakeholders, partners, sport administration professionals, alumni, coaches, and current and former athletes.

The University's history in athletics has seen the institution consistently produce some of the greatest ever athletics athletes, including Paula Radcliffe, Lord Seb Coe, Baroness Tanni Grey-Thompson, Jonathan Broom-Edwards and Jake Wightman.



Loughborough becomes an England Athletics Talent Hub

Loughborough University this year announced a new partnership with England Athletics that will see it become a new national Talent Hub.

The Hub will provide coaching support, coach education, mentoring, and a range of sports science and therapy services, providing direct support to hundreds more athletes and their coaches on the England Athletics Talent Pathway. The aim of the Hub network is to create a training and educational environment for pathway athletes and their coaches and, over time, develop links to local clubs to become an integrated part of the England Athletics structure.



ORGANISATIONAL DEVELOPMENT UPDATE

Staff experience survey

At the end of 2022, the University ran a staff survey, managed by external consultancy People Insight, to gain a better understanding of staff experience at Loughborough. The survey covered eight themes including wellbeing, reward and recognition, leadership and EDI (Equity, Diversity and Inclusion).

As well as giving outcomes for Loughborough, the survey enabled the University to benchmark its results on some of the questions against 38 other UK universities, providing an insight into how the Loughborough experience compares to other institutions.

Responses by theme

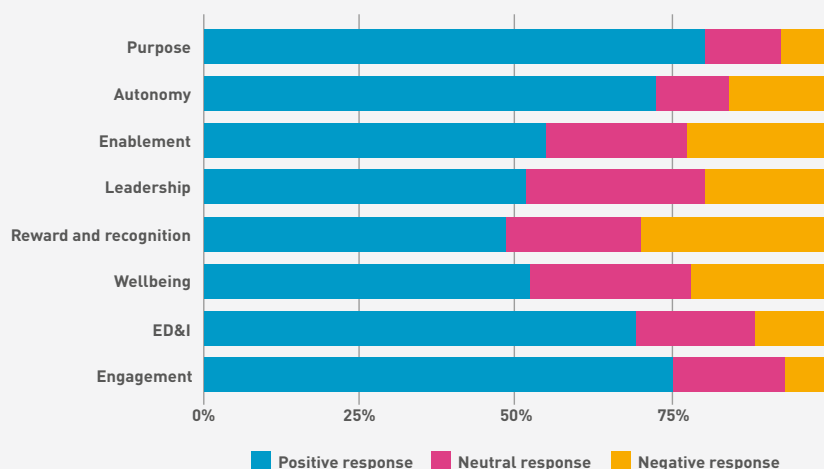
66% survey response rate

5 out of the 8 themes were viewed more positively at Loughborough than at benchmarked universities

2 themes were less favourable at Loughborough than at the benchmarked universities

Purpose	80%
Autonomy	72%
Enablement	55%
Leadership	52%
Engagement	75%
Reward and recognition	48%
Wellbeing	52%

Each Academic School and Professional Services section has been tasked with developing action plans for their own areas to address feedback in their areas.



Trade Union Facility Time Data

Section 13 of the Trade Union Act 2016 has introduced a new requirement on public sector employers to publish data on facility time. The University's data for 1 April 2022-31 March 2023 is as follows:

Trade union representatives	26
FTE trade union representatives	24
Hours spent on paid facility time	6,020
Hours spent on paid trade union activities	5,964
Percentage of total paid facility time hours spent on paid TU activities	99%
Total cost of facility time	£169k
Percentage of pay spent on facility time	0.1%
Distribution of working hours	Number of TU reps at LU
1-50% of working hours	26
51-99% of working hours	0
100% of working hours	0

Key appointments

During 2022/23, the University made a number of key senior appointments.

As well as the appointment of Jo Maher as Pro Vice-Chancellor for Sport, as detailed on page 22, Dr Sally Wilson was appointed to the new role of Commercial Director, with responsibility for the continued development of the University's commercial strategy and its key partnerships that are strategically aligned with its values, business goals and culture.

Jennifer Johnson was appointed to the post of Director of Research and Innovation. Jennifer, who is Chair of the Association of Research Managers and Administrators (ARMA UK), will take a lead role in shaping and delivering the University's research and innovation activities to support the Research and Innovation strategic core plan.

Lily Rumsey was appointed as Director of Global Engagement to lead Loughborough's ambitious plans to further advance its international engagement and impact.

Richard Wheater was appointed as Director of Sport, responsible for leading the Sports Development Centre which manages the non-academic element of sport at Loughborough.

Associate Pro Vice-Chancellors were appointed for each of the University's strategic themes to coordinate, champion and drive forward the interdisciplinary activity taking place across the Schools and Professional Services: John Downey and Kathryn North (Climate Change and Net Zero); Diwei Zhou and David Fletcher (Sport, Health and Wellbeing); and Emily Keightley and Rebecca Cain (Vibrant and Inclusive Communities).

Investment in staffing

779

NEW STAFF MEMBERS RECRUITED DURING 2022/23*

36

NEW ACADEMIC AND RESEARCH STAFF RECRUITED THROUGH TWO MAJOR CAMPAIGNS

£1M

INVESTMENT IN RESEARCH AND INNOVATION OFFICE AND HUMAN RESOURCES TEAM

** this figure excludes casual staff*

LOOKING AHEAD

Some of our priorities for the forthcoming year:

Our people

Over the next 12 months, the focus will be on continuing to deliver outcomes from the University's Enabling Projects – a series of six projects, created as part of the University strategy, that will consider and address the organisational changes needed to ensure the University and its people are well placed to progress Loughborough's strategic aims.

Creating an inclusive community

Activity planned in this area for the next year includes:

- A focus on inclusion and belonging (including promoting diverse voices/views with dignity and respect).
- Finalisation of the Equity, Diversity and Inclusion core plan which supports the delivery of the other core plans and enabling projects.
- Continuing work to increase diversity in leadership positions across the University.
- Continuing work to improve pay equality.

Research and innovation

The finalisation and roll-out of the new Research and Innovation (R&I) core plan will enable the delivery of the University's strategic ambition to significantly increase R&I activities. This will include:

- Continuing work to fuse the research with the innovation landscape at Loughborough to maximise synergy and opportunity.
- Reflecting the three University strategic themes as a focus for the R&I portfolio through the process to establish aligned University level institutes.
- Broadening the internationalisation of the R&I portfolio through collaboration with global partners that increases our global visibility and impact.

Education and student experience

In line with the Education and Student Experience core plan, our priorities will be:

- Continuing to deliver a sector-leading and innovative academic experience.
- Further development of an equitable, inclusive student experience which ensures all students (from all backgrounds, at all levels) feel they belong at Loughborough.
- The creation of a future-fit learning and living environment which further enhances the student experience, including through implementation of our DigiLabs project.
- The delivery of a life-long learning offer which aligns with Loughborough's strengths and engages students/learners beyond our usual reach.

International plans

As outlined in the core plan for International Engagement and Impact. Priorities will be:

- To enhance Loughborough's global reputation in line with our institutional strategic themes and research and innovation strengths.
- To grow and diversify Loughborough's international student enrolments.

- To adopt an intentional, strategic approach to building international partnerships and networks.
- To foster a thriving, inclusive, globally engaged community of Loughborough students, staff and alumni.

Partnerships

One of our priorities for the coming year will be to create a step-change in the way we manage our portfolio of partnerships. We will use the University's strategic values to shape and guide our interactions with partners, which will in turn support the deliver of the aims included in the University's other core plans.

Sport

The University will continue to be a global influencer within sport. Plans for the next 12 months include:

- Development of the Sporting Opportunities core plan.
- Further enhancement of the student experience.
- Build on existing and create new commercial and international partnerships.
- Enhancing performance excellence in higher education, national and global sport.

Sustainability

Addressing and adapting to climate change and building a net zero trajectory will be the key themes across planned activity, including:

- Developing a new university-wide sustainability strategy.
- Revising our Energy strategy and developing a campus decarbonisation plan.
- Continuing to embed the Sustainable Development Goals (SDGs) across our activities.
- Continuing to work with local, regional and national partners through the Civic Universities Agreement to reduce the region's carbon footprint.
- Enhancing biodiversity on campus through woodland management and re-wilding projects, particularly with regard to the future development of the Loughborough University Science and Enterprise Park.

Campus developments

Our ambitious capital framework, designed to support the University in achieving the goals set out in its strategy, has been agreed. The University Executive Board (UEB) has prioritised capital spend over the next five years noting that the majority of available capital funds are already provisionally committed against projects prioritised in the previous year. This includes:

- Significant (multi-million pound) funds for new facilities for the School of Sport, Exercise and Health Sciences and the School of Design and Creative Arts which can help to accommodate growth in international students.
- New DigiLabs facilities to support future-fit science, technology, engineering and manufacturing (STEM) graduates (underway).
- Investment in infrastructure to support hydrogen research.
- A new multi-use sports hall.
- Creating funds within the capital framework that can be used as leverage against external funding.
- A rolling high-cost research equipment replacement programme.

RISKS AND UNCERTAINTIES

Financial Statements Year Ended 31 July 2023

The University has continued to review and update its strategic risk register in order to ensure the ongoing operational and financial success of the organisation, and the delivery of the new University strategy through changing times.

Overview

The University has continued to operate through changing times, managing the financial challenges posed by regulated income streams and rapidly rising costs caused by inflationary pressures on the University's cost base and continued political uncertainty both in the UK and internationally.

The University continues to benefit financially from the prudent actions taken during the COVID-19 pandemic, controlling costs and preserving liquidity during the period, actions that have provided financial certainty over the last year in the face of significant cost increases.

The University's strategic risk register, which has each of its strategic risks allocated to individual council/senate committees, continues to be reviewed and updated throughout the financial year. These committees review the risk environment and each specific strategic risk at every meeting and provide assurance to the Audit and Risk Committee (ARC) that strategic risks are monitored throughout the year which allows ARC to ultimately report their findings and any recommendations to Council.

RISK		OVERSIGHT COMMITTEE	OVERVIEW OF RISK
1	IT & DATA SECURITY	INFRASTRUCTURE COMMITTEE	Failure of IT infrastructure resulting in operational disruption, major data loss, breach of regulations, reputational damage and/or financial loss
2	GOVERNMENT POLICY	FINANCE COMMITTEE	The University operating model could be impacted by future changes to HE sector funding
3	INTERNATIONAL STUDENTS	OPERATIONS COMMITTEE	Reliance on a small number of geographical regions for international student recruitment leaving the University vulnerable to political or macroeconomic factors that reduce international student demand for UK higher education
4	STAFF WELLBEING	HUMAN RESOURCES COMMITTEE	Changes to the nature of work in higher education, including change to pensions and increased regulation, resulting in staff dissatisfaction, absence, or industrial action
5	PENSIONS	FINANCE COMMITTEE	The University's commitment to two defined benefit pension schemes potentially requiring disproportionate allocation of resources to tackle deficits resulting from macroeconomic conditions
6	COMPLIANCE CULTURE	HUMAN RESOURCES COMMITTEE	In an increasingly regulated environment, the University needing to enhance the culture of compliance with legislation, regulation, or ethical standards
7	STUDENT EXPERIENCE	LEARNING AND TEACHING COMMITTEE*	The University needing to monitor and then adapt to or manage changing student expectations

* Senate Sub-Committee only

As detailed above all risk items are regularly reviewed but, as in previous years, we draw specific attention to the following areas where we perceive enhanced levels of risk in the short to medium term.



RISK 1 IT & DATA SECURITY

The ongoing digital transformation of the University means that the reliance on technology infrastructure is critical and will continue to grow. The university and the wider sector have made substantial strides in mitigating technology and cyber risks, however the threat level from infrastructure failure or malicious activity remains high. The University has assessed the assurance level required in this area as high and has continued to strengthen and monitor both the internal control environment and governance oversight through ARC and the Infrastructure Committee.



RISK 2 GOVERNMENT POLICY

The government has now published its response to the Augar report, confirming that UK undergraduate fees are to be frozen at £9250 until at least 2024/25. Whilst certainty is helpful from a planning perspective, it still leaves the higher education sector with a significant financial challenge, especially set in the context of high inflation and other rising costs. International student recruitment (which now includes students from the EU, post-Brexit) is increasingly important for financial sustainability. Our ambition to increase the number of international students is common across the sector and competition to increase overseas market share is higher than ever. The Office for Students (OfS) annual report on financial sustainability notes that international fee income as a proportion of total income is forecast to increase significantly in coming years, highlighting the sector's increasing reliance on international students' fees income to sustain their activities. Government policy around immigration and visas is central to the sector's ability to attract international students and is one of the University's strategic risks owned by the Finance Committee – given recent announcements by the Home Office, this remains a key risk.



RISK 3 INTERNATIONAL STUDENTS

As we emerge from the pandemic, the challenges of global mobility are unwinding at different rates around the globe, with China remaining a particular challenge given the large student numbers who have previously come from this country. Other major markets also exhibit different volatilities, whether, for example, through currency fluctuations or significant local and/or global events.

Our new strategy seeks to grow and diversify our international student population and we are already seeing some positive signs as a result of targeted marketing and recruitment actions. In particular, we have now established a partnership with a Private Pathway Provider (PPP) to provide for an international foundation year to support entry to our undergraduate courses and a pre-Masters pathway to enhance postgraduate taught student recruitment. The first cohorts will study with the PPP from October 2023, and progress to University degree programmes in October 2024.

The future balance between the numbers of international students on undergraduate and postgraduate taught degree programmes requires careful consideration moving forwards.



RISK 4 STAFF WELLBEING

As seen across the sector, changes to the psychological contract with staff (eg changes to pension arrangements, increased regulation etc), continues to mean the University may be unable to fully protect their wellbeing, resulting in staff dissatisfaction, increased rates of absence and/or attrition, potential further industrial action and reputational damage. Failure to be an inclusive community and reflect the diversity of the communities we serve may also have a detrimental effect on wellbeing and performance.

FINANCIAL REVIEW

The high-level numbers for the year reflect a return to a more stable external environment, post pandemic and other political and economic challenges. However, there several significant factors, both internal and external, that impact our financials for 2022/23 and looking forward.

Externally, the continued challenge presented by regulated fees remaining fixed at £9,250 since 2017, only marginally up from the £9,000 fees introduced in September 2012, significantly limits our ability to invest in Teaching, Research and Innovation. Confirmation that this will be the case until at least 2025 provided some financial clarity, but inevitably increases the reliance upon international student numbers, at a time of global uncertainty.

The pension landscape looks more promising than in previous years, particularly with the improved funding position of the USS scheme. However, the cost-of-living crisis remains a key challenge for the University, and its staff, with pay settlements having a significant impact on our cost base.

Internally we have worked hard to mitigate the inflation challenge across our operating cost base. We continue to see strong recruitment and have maintained our strong UK league table position. This, alongside our improved QR ranking and excellent REF results, provides a strong platform for the coming years.

All of these dynamics resulted in consolidated income growth of 12% and a net operating cash generation of £33.3m.

Our surplus of £27.0m was boosted by the recognition of £7.8m capital grants, a £3.3m USS provision movement and an £7.8m reduction to our Local Government Pension Scheme (LGPS) current service cost.

Cash flow

Net cash inflow from operating activities totalled £33.3m, 9% of income, lower than 2021/22 (17%) but in line with pre-pandemic levels.

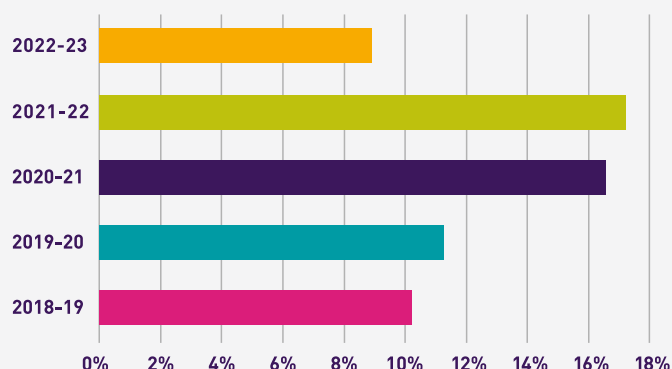
The University has retained significant cash holdings to recommence our capital expenditure plans following the pandemic. In 2022/23 payments to acquire tangible fixed assets totalled £32.0m, partly offset by capital grant receipts of £9.5m and interest receivable of £2.9m. This would have resulted in a net cash outflow from investing activities of £19.6m, but we have moved an additional £23.0m of cash into short-term deposits to maximise returns in the rising interest rate environment, and therefore we report a net cash outflow from investing of £42.6m.

Cash outflows from financing activities remain consistent with previous years at £8.2m, comprised of interest and loan repayments.

These movements combine to deliver a net decrease in cash and short-term deposits of £17.5m, resulting in a cash holding of £41.2m on 31 July 2023.

Consolidated financial results	2022-23	2021-22
	£m	£m
Income	379.1	337.3
Expenditure before USS pension movement	(352.0)	(317.2)
Surplus before other losses/gains and USS Pension movement	27.1	20.1
Other losses	(3.4)	(0.9)
Surplus before USS pension movement	23.7	19.2
USS pension movement	3.3	(71.2)
(Deficit) / Surplus for the year	27.0	(52.0)
Operating cash flows	33.3	58.8
Investing cash flows	(42.6)	(96.3)
Financing cash flows	(8.2)	(8.0)
Net cash flow	(17.5)	(45.5)
Cash and cash equivalents	41.2	58.7
Non current assets	494.6	490.3
Current assets	191.5	174.3
Current liabilities	(81.2)	(76.9)
Non-current liabilities	(96.1)	(101.1)
Provisions	(108.7)	(135.0)
Total net assets	400.1	351.6

OPERATING CASH FLOW AS A % OF INCOME



Balance sheet

Net assets increased by £48.6m to £400.1m.

Fixed assets increased by £7.3m to £474.9m. Capital investment returned to pre-pandemic levels, broadly in line with operating cash generation. We continue to invest in our existing estate with £9.9m of maintenance capital expenditure and £3.6m of expenditure on a new energy and data hub. We also added exciting new developments on campus, such as a significant extension of our Elite Performance gym, a fourth pavilion added to our SportPark building on our Science and Enterprise Park and the opening of a refurbished building that will facilitate a new private pathway provider.

Long-term loans decreased to £87.7m (2021/22: £93.1m) as a result of capital repayments during the year. The University maintains significant headroom on its bank covenants and almost all long-term debt continues to be subject to fixed-rate agreements. We continue to hold a £50m revolving credit facility, which remains undrawn at year-end.

We hold three pension provisions on our balance sheet; Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS) which is administered by Leicestershire County Council and the Teachers' Pension Scheme (TPS). As of 31 July 2023, the USS provision was £106.5m, a decrease of £5.9m, the LGPS provision was £nil, a decrease of £20.5m, and the TPS provision was £1.6m, a decrease of £0.2m.

Income

Total income increased £41.8m (12%) to £379.1m.

Our tuition fee income remained positive, particularly at undergraduate level, where we maintained a good balance across disciplines and had strong demand. PGT, both UK and International, were more challenging, but we maintained a positive trajectory post pandemic and have a series of initiatives underway to accelerate that growth.

Fees from UK/EU students of £115.2m (2021/22: £117.4m), accounted for 30% of the total income of the University and 59% of total tuition fees (2021/22: 35% and 65% respectively).

Fees from international students totalled £74.9m (2021/22 £58.7m), representing growth of 28%.

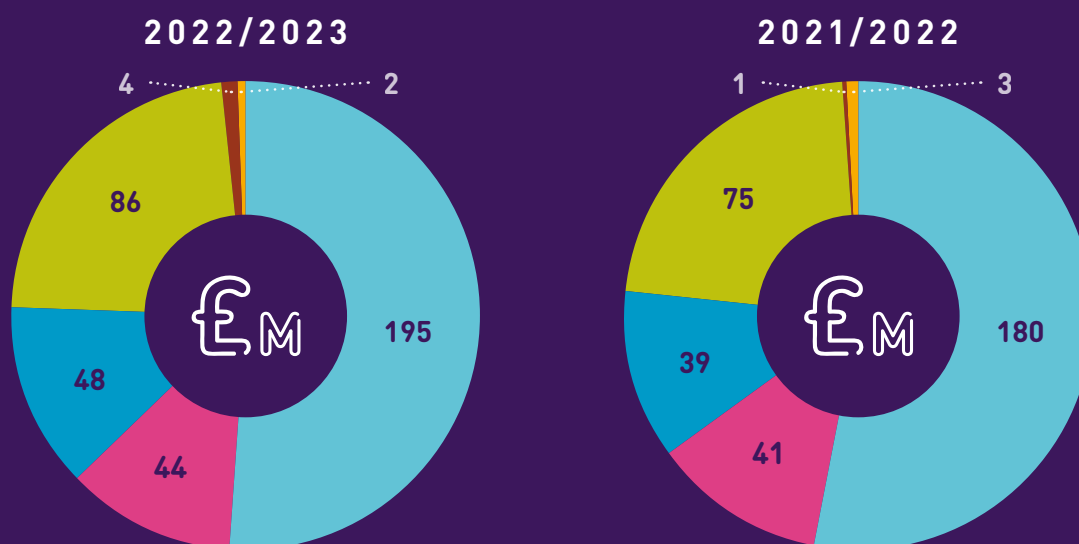
Grants from funding bodies increased by £3.9m (10%), to £44.3m, including an additional £2.7m of QR funding following the results of the 2021 Research Excellence Framework (REF).

Research grants and contracts income increased by £9.1m (23%) to £48.3m and we continue to have a strong application pipeline through the University.

Other income increased by £11.5m (15%) to £86.1m. £7.8m of the increase is associated with the recognition of capital grants, supporting the development of a new building on our Science and Enterprise Park and the creation of the world's first large-scale National Engineered Slope Simulator. The remainder of the growth is across our hotel, student accommodation and tenancies.

Investment income grew by £3.5m, to £4.1m, reflecting the impact of the increasing base rate and significant revisions to our Treasury Management Strategy.

TOTAL INCOME



	2022-23	2021-22	% Change
	£m	£m	
Tuition fees and education contracts	195	180	+8%
Funding body grants	44	41	+10%
Research grants and contracts	48	39	+23%
Other income	86	75	+15%
Investment income	4	1	+583%
Donations and endowments	2	3	-36%
Total Income	379	337	+12%

Expenditure

Total expenditure decreased by 10%, to £348.7m. However, the prior year was significantly impacted by the USS pension movements. Expenditure before USS pension movement increased by 11% to £351.9m, broadly in line with income growth.

As in previous years, the majority of expenditure (53%) relates to staff costs, which decreased by £64.9m (26%) to £186.1m, largely due to a revaluation of the USS provision (£67.9m net change year-on-year) referenced above. Removing the impact of this, underlying staff costs have increased 5.3%; reflecting general staff cost inflation, targeted growth and a slow recovery to the challenging employment market, all partially offset by an £7.8m reduction our LGPS current service cost.

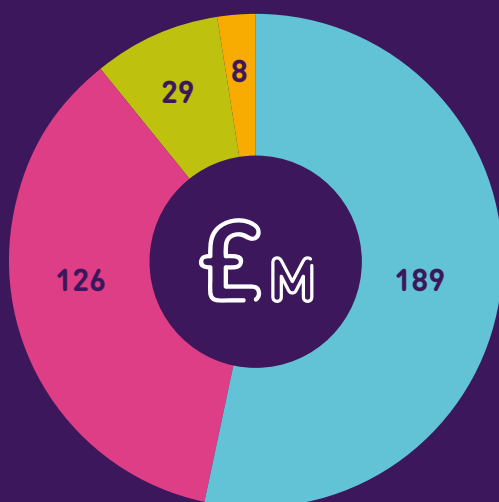
Other Operating Expenditure has increased £23.0m (22%) to £125.7m, resulting from a return to more normal levels of spending and increased variable costs in our commercial operations.

Depreciation decreased by £0.2m to £29.1m, reflective of the reduced levels of capital spend in recent years.

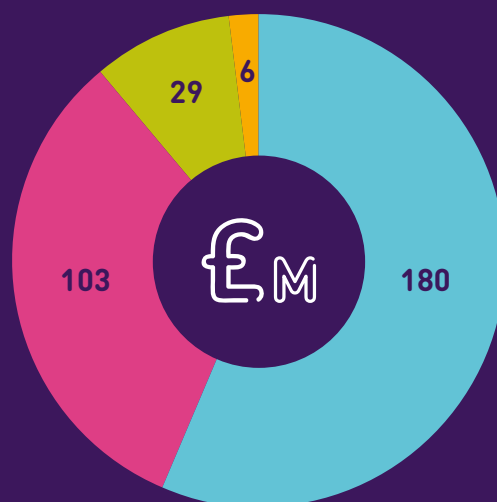


TOTAL EXPENDITURE EXCLUDING USS PROVISION

2022/2023



2021/2022



	2022-23	2021-22	% Change
	£m	£m	
Staff costs excluding USS Provision adjustment	189	180	+5%
Other operating expenses	126	103	+22%
Depreciation	29	29	0%
Interest and other finance costs	8	6	+42%
Total expenditure excluding USS Provision	352	317	+11%
USS Provision adjustment	(3)	71	
Total expenditure	349	388	-10%



Future financial outlook

At the time of preparation of these financial statements we are continuing to progress and embed our new strategy, *Creating Better Futures. Together.*

We have appointed our fourth Pro Vice-Chancellor (PVC) in the year, with a focus on our sporting excellence, alongside a number of Assistant PVC's aligned to our institutional themes of Sport, Health and Well-being, Climate Change and Net Zero and Vibrant and Inclusive Communities. These appointments along with the development of the detailed core plans are critical to the achievement of our strategy, allowing us to maintain our robust financial position in an increasingly challenging sector landscape.

Robust management of our cost base through the pandemic and inflationary environment have protected our investment funds; our debt is largely at fixed interest rates, at low rates relative to the prevailing market; changes to our Treasury Policy have allowed us to maximise returns following recent base rate rises; the positive REF 2021 results underpin our funding body grant income for coming years; we continue to recruit strongly and have recently been awarded triple Gold – the highest accolade possible – in the latest Teaching Excellence Framework (TEF 2023); and our commercial operations continue to thrive.

However, we are not complacent. The volatility of the external landscape means the financial resilience of the University remains, as always, a key focus. Our ambitious targets are supported by phased investment plans, particularly around international student number growth.

Our ability to do this is limited though, and it should be noted that Home Tuition Fees, which were originally introduced in September 2012 at £9,000, would now be £12,200 if they had been increased in line with CPI the figure, instead of the small increase to £9,250 in 2017. As these fees have

remained flat, they are therefore declining in real terms as inflation pushes costs upwards. The University continues to model plausible downside scenarios given the risk environment we operate within. In addition to our strategic risks and those mentioned above, we are actively managing other specific challenges, such as:

Cost of living crisis

The broader economic challenges that impact the University also impact our students and colleagues. We are working hard to support our community and their wellbeing remains our priority.

Supply chain and sourcing

Brexit, the global pandemic and the war in Ukraine have disrupted supply chains. In addition to the inflationary pressures this has contributed to, it presents operational challenges when running a complex organisation such as a university.

Employment costs and market

The University has limited influence over the continued growth in wages and salaries, as this is driven by contractual increments and the national pay bargaining. However, this challenge is further complicated by the buoyant employment market.

Net zero challenge

Climate change and net zero is one of our three strategic themes. The task of achieving this with our extensive and ageing campus is a significant one, exacerbated by supply chain uncertainties, inflationary pressures on capital developments, and the evolving working patterns of our colleagues and tenants post-pandemic. However, we have significant internal expertise to support this journey and the full engagement and support of our students and colleagues.

DELIVERY OF PUBLIC BENEFIT

Loughborough University is an independent corporation established by Royal Charter and has exempt charity status.

This information describes how the University has delivered activity for the benefit of the public, taking into consideration the guidance on public benefit, as set out in the Charities Act 2011. Due regard has also been given to the University's responsibilities as a charitable body, which is regulated by the Office for Students (OfS).

OUR MISSION

By delivering public benefit at a local, national and global level, the University contributes to:

- knowledge and understanding across all sectors
- the drive to make education accessible to everyone
- industry and economic growth
- the level of talent and excellence in industry
- Loughborough's economy, community and social environment.

PUBLIC BENEFIT IN NUMBERS (2022/23)

147

internships offered in
2022/23 through the
Loughborough Talent
Match initiative

OVER
€4.2_M

awarded in bursaries and tuition fee
waivers to over 2,800 undergraduate
students through the Loughborough
University Bursary (LUB) and other
awards programmes

OVER
11,000

hours of volunteering
were completed by
student volunteers
through LSU Action

OVER
€10.3_M

was awarded to
new and existing
postgraduate research
students during 2022/23

ACADEMIC BENEFIT

Delivery of public benefit through our core academic objectives – teaching, research and innovation.

Teaching and learning

We are committed to supporting students throughout their educational journey and helping them to reach their full potential by removing unnecessary barriers. The statistics below evidence some of the work being done in this area.

Employable graduates

The Loughborough experience is designed to create employable graduates that will go on to contribute significantly to society.

Research

Our research helps shape public policy, improves lives, and enables businesses and industries to compete more effectively.

Innovation

Innovation enhances the impact of our public benefit by connecting the work we do with the outside world across industry, public bodies and charities. The impact can be localised but significant, linking to global issues such as reducing pollution and improving human health.

CORPORATE

Our approach to social responsibility: how we run our business; the way we work with external organisations, and the impact our actions have on the local community and economy.

Sustainability

We recognise that many of our activities have environmental impacts and we take responsibility for these whilst also responding to global challenges such as climate change; human wellbeing; and food, water and energy security.

Community

We are committed to delivering opportunities and support for those beyond our campus boundaries, including local charities and community groups, and delivering initiatives and events for the public to attend.

Fundraising and volunteering

Both the University and Loughborough Students' Union have a long history of fundraising and volunteering to support local, national and international causes. Examples of activity in 2022/23 can be found below.

Economic impact

External evaluations have shown that the University's impact on the economy is around £1.0bn and supports approximately 14,400 full-time equivalent (FTE) jobs.

Examples of the public benefit we deliver across these areas can be found in the review of the year section of this report.

263

new postgraduate research students (with start dates in 2022/23) received funding from the Doctoral College, equating to over £4.2m

OVER
£5.5_M

awarded in scholarships and bursaries to over 1,350 postgraduate taught students in both Loughborough and London

ALMOST
1,870

students went on year-long placements with more than 1,700 companies worldwide

The team worked with more than

370

schools and colleges across the country to raise the aspirations of younger generations

OVER
33,750

prospective students engaged with outreach and recruitment activities, delivered by the School and College Liaison team

OVER
£400_K

raised for Rag by Loughborough Students' Union

STATEMENT OF CORPORATE GOVERNANCE

The following statement is given to assist readers of the financial statements to obtain an understanding of the governance procedures applied by the University's governing body (Council).

The Royal Charter sets out the objectives which form the University's charitable purpose:

"to advance knowledge, wisdom, understanding and professional competence through teaching, research and collaboration with industrial and other bodies and to develop the character of its students by virtue of its corporate life".

The University is committed to observing good practice in all aspects of Corporate Governance. Council initiated a review of its own effectiveness in March 2021. Advance HE were engaged as external consultants and the final report was submitted to Council at its meeting in November 2021. Implementation of the recommendations was undertaken in 2021/22 and a revised committee structure was approved by Council in June 2022. The changes include widening the scope of the Nominations Committee which was renamed Governance and Nominations Committee in early 2022. Another Council effectiveness review is planned for 2024. The University has continued to keep its compliance with the Higher Education Code of Governance, published by the Committee of University Chairs (CUC), under review and is confident its processes comply with the revised Code published in September 2020. A number of enhancements were made based on recommendations from the 2021 effectiveness review referred to above.

The University's Structure of Corporate Governance

The operation of the University is governed by its Charter, Statutes, Ordinances and Regulations.

The Council, the governing body of the University, comprises independent (lay), academic staff, non-academic staff and student members appointed or elected under the Statutes and Ordinances of the University, the majority of whom are non-executive. The role of Chair of the Council is separated from the role of the University's chief executive, the Vice-Chancellor. The current Chair of Council is Christine Hodgson, who has held the office since 1 January 2021.

The Vice-Chancellor is the University's senior academic and administrative officer, who also serves as the Accountable Officer to the Office for Students. Professor Nick Jennings took up the post of Vice-Chancellor on 4 October 2021 and a new University strategy was approved by Council in March 2022 and formally launched in April 2022.

In accordance with the CUC Code (2020), Council has published a list of its primary responsibilities and these

include the ongoing strategic direction of the University and approval of major developments. The University holds full registration as a higher education provider with the Office for Students. Along with its own governing instruments, this means that final decision-making on certain key matters is specifically reserved for Council. Council meets at least four times a year and is advised by the Senate on academic issues. A Senate effectiveness review was conducted during the 2022/23 year and its findings reported to Council in June 2023 in order to provide assurance on the governance of academic issues.

The University also has the status of an exempt charity. This means that members of Council have the responsibilities of charity trustees in relation to ensuring the institution's work is for the public benefit and that it complies with Charity Commission expectations, overseen in the HE sector by the Office for Students.

Both Council and Senate conduct their routine business through a committee structure; some of the committees are jointly composed and many include lay representation. As noted above, the structure has recently been reviewed and a revised process has been agreed for committees to reflect regularly on their own effectiveness.

The financial management of the University rests with the Operations and Finance committees. The Operations Committee, comprising executive officers, has responsibility for the integration of academic, financial and physical planning and the allocation of resources to academic schools and Professional Services. The Operations Committee monitors the budget holders on a regular basis. Finance Committee is responsible for advising Council on both the University's financial strategy and treasury management; the Committee is chaired by the Vice-Chancellor and comprises executive officers and lay independent members of Council.

The external auditors address their report on the financial statements to Council through the Audit and Risk Committee which comprises lay members of Council, who are not otherwise involved in the management of the University, and other independent persons appointed by Council. Both internal and external auditors report to the Audit and Risk Committee on a regular basis. The Committee considers their detailed reports together with any recommendations on the systems and controls in operation. The Secretary of Council leads a working group of relevant staff which oversees compliance with the Office for Students conditions of registration. The Audit and Risk Committee also pays due regard to the terms of the University's registration with the Office for Students. The Committee appoints the internal auditors whilst Council appoints the external auditors.

Both internal and external auditors have direct access to the Chair of Council, the Chair of Audit and Risk Committee and the Vice-Chancellor at any time.

The Governance and Nominations Committee of Council is chaired by the Chair of Council and includes lay members, academic members and the Vice-Chancellor with lay members in the majority. Its role is to make recommendations to Council on the appointment of senior lay officers (excluding the Chair of Council) and on the appointment of other lay members of Council as well as advise on other matters related to lay contributions to the governance of the University.

The Remuneration Committee of Council which is composed of lay members and is chaired by the Chair of Council determines the remuneration of professorial and senior administrative staff. The Deputy Chair of Council takes the chair for consideration of the Vice-Chancellor's remuneration. The Committee's operations were reviewed carefully in light of the additional CUC guidance on senior staff remuneration issued in June 2018.

The University ensures the transparency of its corporate governance, risk management, statutory and other regulatory responsibilities via the active involvement of experienced and independent lay members, together with the work outlined above of University committees and the internal and external auditors. Council agendas and minutes are available to the public on the University website.

Internal control and management of risk

The Council, as the governing body of Loughborough University, has responsibility for maintaining a sound system of internal control that supports the achievement of strategic objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the governing body in the Charter, Statute XIII and the terms of registration with the Office for Students.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing review process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements, and accords with the Office for Students guidance.

The University maintains a strategic risk register which is aligned with the previous University strategy Building Excellence. A new risk register, aligned with the new strategy *Creating Better Futures. Together* (approved in March 2022), is currently in progress linked to the finalisation of the strategy's core plans and is due to be implemented during the 2023/24 academic year.

Risk management processes and procedures continue to evolve with input from our internal auditors with all work being overseen by the Audit and Risk Committee. The Committee has been renamed from its former name Audit Committee to emphasise its role in the University's risk oversight and governance.

Council, both directly and through its committees, is responsible for ensuring the delivery of value for money, defined as economical, effective and efficient use of resources.

Council is responsible for the safeguarding of assets and oversight of systems to prevent and detect fraud.

The system of internal control provides for a comprehensive financial planning process, assessment of income, expenditure, capital and cash flow budgets during the year and periodic review of management information including the reporting of material variances and the projection of out-turn for the year.

On behalf of Council, the Audit and Risk Committee monitors the effectiveness of control, governance, the management of risk and gains assurance on the University's arrangements to secure value for money and data quality. It receives regular reports from the internal auditors, and where relevant, the external auditors. Periodic reports concerning internal control are received by Council from the Audit and Risk Committee.

Reports on the progress on key projects and regular reports from senior management on the steps they are taking to manage risks in their area of responsibility are received by the Council and its principal committees.

Going concern

The financial statements of the Group and the parent University have been prepared on a going concern basis which the Council believes to be appropriate for the following reasons.

The Council has prepared cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements. After reviewing these forecasts, including analysis of severe but plausible downsides, including the residual impact of COVID-19, and stress testing key assumptions such as student intake and the level of campus operation, the Group and the parent University are expected to have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Group ended the year with strong liquidity and access to significant undrawn borrowing facilities. This, together with robust expenditure controls, means that we anticipate maintaining substantial strategic cash reserves throughout the going concern assessment period.

Consequently, the Council is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Officers of the University

The University's formal principal officer is its Chancellor, who has responsibility for conferring Loughborough's academic awards at congregations and plays an important role in the advancement of the University. The Lord Coe CH, KBE (Sebastian Coe) was reappointed as Chancellor in June 2022.

The Senior Pro-Chancellor, serves as the Chair of Council and also chairs the Governance and Nominations Committee and Remuneration Committees.

The day-to-day running of the University is the responsibility of the Vice-Chancellor and President, who is the academic and executive head and the accountable officer to the Office for Students.

The Visitor	Paul Michell
The Chancellor	Lord Sebastian Coe
The Senior Pro Chancellor (Chair)	Christine Hodgson
The Pro Chancellors	Jennifer Maxwell-Harris John Sinnott
Honorary Treasurer	Andrea Davis
The Vice-Chancellor	Professor Nick Jennings
Deputy Vice-Chancellor	Professor Chris Linton
Pro Vice-Chancellor (Education and Student Experience)	Professor Rachel Thomson
Pro Vice-Chancellor (Equity, Diversity and Inclusion)	Professor Charlotte Croffie
Pro Vice-Chancellor (Research and Innovation)	Professor Dan Parsons
Pro Vice-Chancellor (Sport)	Jo Maher
Chief Operating Officer	Richard Taylor
Chief Financial Officer	Alexandra Owen

Chairs of key committees

Council	Christine Hodgson
Senate	Professor Nick Jennings
Remuneration Committee	Christine Hodgson <i>For matters relating to the Vice-Chancellor's remuneration the committee is chaired by Deputy Chair Jennifer Maxwell-Harris</i>
Finance Committee	Professor Nick Jennings
Audit and Risk Committee	Graham Corfield

Members of the University Council

who served during 2022/23 and up to 23 November 2023

The Senior Pro Chancellor (Chair)	Christine Hodgson
The Pro Chancellors	Jennifer Maxwell-Harris (<i>Deputy Chair</i>) John Sinnott
Honorary Treasurer	Andrea Davis
The Vice-Chancellor	Professor Nick Jennings
Deputy Vice-Chancellor	Professor Chris Linton
Appointed by the Alumni Association	Dr Luke Stott
Appointed by the Students' Union	Harry Hughes (<i>until 31 July 2023</i>) Danny Smith (<i>until 31 July 2023</i>) Molly Page (<i>from 1 August 2023</i>) Georgia Whelan (<i>from 1 August 2023</i>)
Elected by the Senate	Dr Kerri Akiwowo Professor Malcolm Cook (<i>until 31 July 2023</i>) Professor Tarek Hassan (<i>from 1 August 2023</i>)
Elected by the General Assembly	Dr Marcus Collins (<i>until 31 July 2023</i>) Professor Lianne Gibson (<i>until 31 July 2023</i>) Professor Matthew Inglis (<i>from 1 August 2023</i>) Professor Sheryl Williams (<i>from 1 August 2023</i>)
Other elected members	Emma Nadin
Co-opted members	Penny Briscoe Graham Corfield Naomi Hudson (<i>from 1 November 2022</i>) Baroness Nicky Morgan (<i>from 1 November 2022</i>) Professor David Price Professor Surinder Sharma Paul Taylor Mark Thurston (<i>from 1 August 2023</i>) Mike Wedderburn
Secretary to Council	Richard Taylor

Key advisers

External auditor	KPMG LLP
Internal auditor	PwC LLP



STATEMENT OF THE RESPONSIBILITIES OF COUNCIL

The University Charter establishes Council as the Governing Body of the University, subject to other terms of the Charter and the Statutes, and its responsibility for:

- 1** general control over the University and all its affairs, purposes and functions.
- 2** the management and administration of the revenue and property of the University.
- 3** the custody and use of the Common Seal of the University.

The Council has identified a number of primary responsibilities arising from these general duties under the Charter:

Planning and monitoring

1. To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
3. To ensure appropriate arrangements are in place to monitor and evaluate the student academic experience and maintain the quality and standards of academic awards.

Financial, legal and risk

4. To approve the annual budget and financial statements, to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
5. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, and to have overall responsibility for the University's assets, property and estate.
6. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal and regulatory obligations, including those arising from contracts and other legal commitments made in the institution's name.
7. To ensure that the University has appropriate procedures for the management of risk and to oversee the operation of these procedures.

Employment

8. To be the employing authority for all staff in the University and to be responsible for establishing a human resources strategy.
9. To appoint the Vice-Chancellor as Chief Executive and Principal Academic and Administrative Officer of the University, in accordance with paragraph 7 of the Charter, and to put in place suitable arrangements for monitoring his/her performance.

Governance arrangements

10. To appoint the Secretary to Council, and to ensure that, if they have managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
11. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
12. 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.
13. 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.
14. In accordance with paragraph 19 of the Charter, to consider any recommendations from Senate on matters with academic implications and to refer the same to Senate for consideration where the Senate has not previously been consulted.
15. To delegate authority to the Vice-Chancellor for the appointment of University nominees to the boards of public bodies, limited companies and other institutions.

General

16. To safeguard the good name and values of the University.
17. To make such provision as it thinks fit for the general welfare of students, in consultation with Senate.
18. To promote equality, diversity and inclusivity throughout the University, including in relation to its own operation.
19. To ensure that appropriate provision is made for the preservation of health, safety and environmental standards.

The Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

It is required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.
- The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

23 November 2023
Christine Hodgson
Chair of Council

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF LOUGHBOROUGH UNIVERSITY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Loughborough University ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement, and related notes, including the Statement of Principal Accounting Policies.

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 of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Council has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Council, the Audit and Risk Committee, internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit & Risk Committee and Finance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and performance targets, we perform procedures to address the risk of management override of controls, the risk of fraudulent revenue recognition, in particular the risk that research grant income is inappropriately recognised due to either incorrect overhead recovery or non-compliance with terms and conditions of the grant, and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those containing a research revenue impact posted to unusual accounts, those containing a cash impact posted to unusual accounts and those containing a borrowing impact posted to unusual accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Council and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the Council and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, charities legislation, pensions legislation and specific disclosures required by higher education and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with the regulatory framework of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Council is responsible for the other information, which comprises the Annual Review 2022/23, including the Review of the Year 2022/23, the Financial Review and the Statement of Corporate Governance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council responsibilities

As explained more fully in its statement set out on page 38, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities)

Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 11 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 4 to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council in accordance with the Charters and Statutes of the institution. Our audit work has been undertaken so that we might state to the 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 for our audit work, for this report, or for the opinions we have formed.

Mark Dawson
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snow Hill, Snowhill Queensway
Birmingham B4 6GH

23 November 2023

FINANCIAL STATEMENTS 2022/23

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. General information

Loughborough University is an independent corporation established by Royal Charter and has the status of an exempt charity which is regulated by the Office for Students (OfS).

2. Statement of compliance

These 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 Office for Students and the terms and conditions of Research England Grant.

The University is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

3. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain fixed assets and derivative financial instruments).

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

4. Going concern

The financial statements of the Group and the parent university have been prepared on a going concern basis which the Council believes to be appropriate for the following reasons.

The Council has prepared cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements. After reviewing these forecasts, including analysis of severe but plausible downsides, and stress testing key assumptions such as student intake and the level of campus operation, the Group and the parent university are expected to have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Group ended the year with strong liquidity and access to significant undrawn borrowing facilities. This, together with robust expenditure controls, means that we anticipate maintaining substantial strategic cash reserves throughout the going concern assessment period.

Consequently, the Council is confident that the Group and parent university will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

5. Exemptions under FRS102

The University meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial

statements. Exemption has been taken in these separate company financial statements in respect of presentation of a cash flow statement.

6. Basis of consolidation

The consolidated financial statements combine the financial statements of the University and all its subsidiary undertakings for the financial year to 31 July 2023. 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.

The consolidated financial statements do not include the accounts of Loughborough Students' Union, as it is a separate body over which the University does not exert control and nor does it have a dominant influence over policy and operational decisions.

7. Recognition of income

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 have been satisfied.

Tuition fees

Tuition fee income is recognised over the period of study to which the fee relates. 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 as expenditure and not deducted from income.

Grant funding

Grant funding including funding council/OfS block grants, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and any performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

Capital grants are recognised in income when the University is entitled to the funds and any performance-related conditions have been met.

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

Other income

Income, from trading activities, is recognised when the goods or services are supplied to the customers or the terms of the contract have been satisfied. Investment income is recognised on a receivable basis.

Donations and endowments

Resources received from non-government bodies as part of a non-exchange transaction will either be treated as a donation, or as an endowment in the event the donor either wishes an endowment fund to be established, or places sufficiently large restrictions on expenditure such that the funds will need to be retained over an extended period.

Donations are recognised as income when the University is entitled to the funds and any performance related conditions have been met. Where income is received in advance of performance related conditions being met, it is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

Where a donor imposes restriction on the use of the donated resources, income is retained within a restricted reserve until such time as expenditure is incurred in accordance with the restrictions. Donations with no restrictions are recognised in income when the University is entitled to the funds.

Endowment income is recognised on entitlement to the income. The income is retained within an endowment reserve until such time as expenditure is incurred in accordance with the restrictions of the endowment. Endowments are classified as either a permanent endowment, when the donor specifies that the capital is to be retained for the benefit of the institution, or as an expendable endowment where no such requirement exists.

Investment income received on endowments and restricted funds is recorded as income in the year in which it arises, and is held in the restricted or endowment reserve to the extent it has not been spent in line with restrictions of the donation or endowment. Investment gains and losses on endowment funds invested for the longer term are recognised in the surplus or deficit and are credited/debited to the capital portion of the endowment reserve.

8. Pension schemes

The University participates in the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS) and the Teachers' Pensions Scheme (TPS).

The USS scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The TPS is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities attributable to University members and therefore is accounted for as a defined contribution retirement benefit scheme. Contributions made are recognised as an expense in surplus or deficit in the periods during which services are rendered by employees. TPS is valued every five years by the Government Actuary. It is an unfunded scheme and contributions are made at the rate set by the Government Actuary.

The LGPS is a defined benefit scheme which is externally funded.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the 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 schemes

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, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne in substance by the 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 group should recognise 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.

9. Employment benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University.

Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

10. Finance leases

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

11. Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability. The assets are depreciated over the life of the arrangement.

Payments under the service concession arrangements are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

12. 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 term of the lease.

13. Land and buildings

Land held at 31 July 2014 is stated at deemed cost which is equivalent to the market value on this date. Land additions since 31 July 2014 are stated at cost.

Buildings are capitalised at cost on initial recognition or, in the case of buildings acquired as a result of the merger with Loughborough College of Art and Design, at valuation: the basis of valuation is depreciated replacement cost and the valuation on 31 July 1998 was performed by GVA Grimley, International Property Advisors. Improvements to buildings and long-term maintenance projects with a value in excess of £50,000 are capitalised, to the extent that they increase the expected future benefits to the Institution.

After initial recognition land and buildings are subsequently measured at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

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:

- Freehold buildings between 10 and 60 years depending on the method of construction used.
- Leasehold land and buildings – lifetime of the lease up to a maximum of 60 years.

No depreciation is charged on assets in the course of construction. Depreciation is charged from the year of completion and is calculated based on the remaining life of the improved building or building-related plant. 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.

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

14. Fixtures, fittings, plant and equipment

All such items, where the cost is less than £20,000 per individual item or group of related items, are recognised as an expense in the year of acquisition. All other items are capitalised.

Items are stated at cost and depreciated over their expected useful life, as follows:

- Computer equipment – between 4 and 7 years
- Equipment acquired for specific research projects – project life (generally 3 years) unless a research grant is received for a specific facility, in which case, the item would be depreciated over the life of the facility
- Motor vehicles and other equipment – 4 years
- Plant, furniture and fixtures – between 5 and 25 years

15. Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

16. 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.

Works of art and other valuable artefacts valued at over £10,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. The assets are subject to an annual impairment review in accordance with applicable accounting standards.

17. Investment properties

Investment property is land or a building, or part of a building, or both held for rental income and/or capital appreciation rather than for use in delivering services. Mixed-use property is separated between investment property and property, plant and equipment.

Investment properties are initially measured at cost and then subsequently at fair value at the end of each reporting date, with changes in fair value recognised immediately in the Surplus or Deficit for the year.

18. Stocks

Stocks of goods are stated at the lower of cost and net realisable value.

19. Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

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.

20. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates.

The resulting exchange differences are recorded in surplus or deficit for the financial year.

21. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through surplus or deficit, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that:
 - i. the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or
 - ii. the new rate is a market rate of interest and satisfies condition (a).

- d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year of initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through surplus or deficit.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through surplus or deficit. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the University Balance Sheet, investments in subsidiaries and associates are measured at cost less impairment.

(iii) Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in surplus or deficit.

(iv) Fair value measurement

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

22. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- The University has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of economic benefits will be required to settle the obligation; 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 risk 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 possible 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 Balance Sheet but are disclosed in the notes.

23. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date.

If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

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

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

24. Taxation status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Schedule 6 Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within the categories covered by sections 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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 which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

25. Reserves

Reserves are classified as unrestricted, restricted or endowment. Endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

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

26. Critical accounting judgements and key sources of estimation uncertainty

In the application of the University's accounting policies, which are described in points 1 to 25 above, it is necessary to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the University's accounting policies

The following are the judgements, apart from those involving estimations (which are dealt with separately below), that have been taken in the process of applying the University's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In the operating of a performance model for government grants and non-exchange transactions, agreements with funders are evaluated for performance conditions, and revenue is recognised when these conditions are judged to have been met.

Investment property

The University has reviewed all rental-generating properties in line with the accounting policy for investment properties. As part of this process management has evaluated whether an asset is held for the furtherance of the University's enterprise objectives (which form part of the University's core operations), or whether it is held primarily for the generation of rental income (and so represents an investment property).

Service concession arrangements

In determining which operations involving third party operators should be accounted for as service concession arrangements, the agreements with the third party operators are reviewed to identify those that meet the relevant conditions outlined in section 34 of FRS102.

Key sources of estimation uncertainty

The following are the key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Pensions – USS

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The University is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements. This required estimates in respect of future headcount, salary changes and the discount rate to apply. USS is valued every three years by professionally qualified independent actuaries, and a liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme. During the year the 2020 valuation was completed and details of the outcome of this are included in notes 21 and 25 to the Financial Statements. As part of the 2020 valuation outcome a new deficit recovery plan was put in place, 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 2022 deficit recovery liability reflects this plan. The liability figures have been prepared using a discount rate of 5.49% (2022: 3.33%) as at 31 July 2023. Details of the liability are included in note 25 to the Financial Statements.

The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change to current position at 31 July 2023

0.5% pa decrease in discount rate	£4.0m
0.5% pa increase in discount rate	(£3.8m)
0.5% pa increase in salary inflation over duration	£4.0m
0.5% pa increase in salary inflation year 1 only	£0.5m
0.5% increase in staff changes over duration	£3.7m
0.5% increase in staff changes year 1 only	£0.5m

Pensions – LGPS

The LGPS valuation is sensitive to the actuarial assumptions used. The assumptions are set following advice received from a qualified actuary. The following table highlights the sensitivities regarding the principal assumptions used to measure the scheme liabilities.

Change in assumptions at 31 July 2023	%	Approximate increase in scheme liabilities £'000
0.1% decrease in real discount rate	2	3,505
0.1% increase in the salary increase rate	0	272
0.1% increase in the pension increase rate (CPI)	2	3,295
1 year increase in member life expectancy	4	7,444

Market value of investment properties

In determining the market value of the University's investment properties, valuations have been performed by professionally qualified valuers using assumptions determined using market standard methodology. However should any of these assumptions be incorrect this could have a significant impact on the valuation of these properties.

Useful lives of tangible fixed assets

Tangible fixed assets represent a significant proportion of the University's total assets (31 July 2023: 69%, 2022: 70%). Therefore the estimates of the useful lives over which these assets are depreciated could have a significant impact on the University's financial performance. The useful lives and residual values of the University's assets are determined at the time the asset is acquired or construction is completed, and these are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as the expiry of leases. Historically, disposal of assets at the end of their lives has not resulted in material loss on disposal charges.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

Year ended 31 July 2023

	Notes	Consolidated		University	
		Year ended	Year ended	Year ended	Year ended
		31 July 2023	31 July 2022	31 July 2023	31 July 2022
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	194,660	179,970	194,660	179,970
Funding body grants	2	44,333	40,447	44,333	40,447
Research grants and contracts	3	48,271	39,181	48,271	39,181
Other income	5	86,112	74,587	76,347	65,241
Investment income	6	4,121	574	3,971	622
Donations and endowments	7	1,559	2,502	1,558	2,502
Total income		379,056	337,261	369,140	327,963
Expenditure					
Staff costs	8	186,101	250,961	180,562	246,814
Other operating expenses		125,709	102,653	122,620	98,742
Depreciation	13	29,080	29,243	28,203	28,300
Interest and other finance costs	9	7,764	5,534	7,748	5,534
Total expenditure	10	348,654	388,391	339,133	379,390
Surplus / (Deficit) before other gains and losses		30,402	(51,130)	30,007	(51,427)
Loss on disposal of fixed assets		(763)	(426)	(762)	(425)
Loss on investments		(2,680)	(467)	(3,450)	(667)
Surplus / (Deficit) before tax		26,959	(52,023)	25,795	(52,519)
Taxation	12	(303)	(140)	-	-
Surplus / (Deficit) for the year		26,656	(52,163)	25,795	(52,519)
Actuarial gain in respect of pension schemes	25	21,915	112,885	21,915	112,885
Total comprehensive income for the year		48,571	60,722	47,710	60,366
Represented by:					
Endowment comprehensive income for the year	23	(30)	128	(30)	128
Restricted comprehensive income for the year	24	(306)	712	(306)	712
Unrestricted comprehensive income for the year		48,907	59,882	48,046	59,526
		48,571	60,722	47,710	60,366

All items of income and expenditure relate to continuing activities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 July 2023

		Consolidated		University	
	Notes	31 July 2023	31 July 2022	31 July 2023	31 July 2022
		£'000	£'000	£'000	£'000
Non-current assets					
Fixed assets	13	474,937	467,662	472,076	464,727
Heritage assets	14	1,165	1,165	1,165	1,165
Investments	16	18,508	21,453	32,205	35,998
Total Non-current assets		494,610	490,280	505,446	501,890
Current assets					
Stock		667	626	619	573
Trade and other receivables	17	46,651	35,086	46,754	34,752
Investments - Current	18	103,000	79,950	103,000	79,950
Cash and cash equivalents		41,186	58,655	38,927	53,302
Total Current assets		191,504	174,317	189,300	168,577
Less Creditors: amounts falling due within one year	19	(81,218)	(76,890)	(84,700)	(76,594)
Net current assets		110,286	97,427	104,600	91,983
Total assets less current liabilities		604,896	587,707	610,046	593,873
Creditors: amounts falling due after more than one year	20	(96,126)	(101,140)	(96,126)	(101,140)
Provisions					
Pension provisions	21	(108,177)	(134,700)	(108,177)	(134,700)
Other provisions	21	(460)	(303)	-	-
Total net assets		400,133	351,564	405,743	358,033
Restricted reserves					
Income and expenditure reserve - endowment reserve	23	2,330	2,360	2,330	2,360
Income and expenditure reserve - restricted reserve	24	63,848	64,154	63,848	64,154
Unrestricted reserves					
Income and expenditure reserve - unrestricted		333,955	285,050	339,565	291,519
Total reserves		400,133	351,564	405,743	358,033

These Financial Statements were approved by Council on 23 November 2023 and were signed on 23 November 2023 on its behalf by:

Professor Nick Jennings CB, FREng, FRS
Vice-Chancellor and Accountable Officer

Christine Hodgson CBE
Chair of Council

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

Year ended 31 July 2023

Consolidated	Income and expenditure reserve			
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2021	2,232	63,442	225,168	290,842
Surplus from the income and expenditure statement	128	725	(53,016)	(52,163)
Other comprehensive income	-	-	112,885	112,885
Release of capital grants with expired asset use restrictions	-	(13)	13	-
Total comprehensive income for the year	128	712	59,882	60,722
Balance at 31 July 2022	2,360	64,154	285,050	351,564
Surplus / (Deficit) from the income and expenditure statement	(30)	27	26,659	26,656
Other comprehensive income	-	-	21,915	21,915
Release of capital grants with expired asset use restrictions	-	(333)	333	-
Total comprehensive income for the year	(30)	(306)	48,907	48,571
Balance at 31 July 2023	2,330	63,848	333,957	400,135

University	Income and expenditure reserve			
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2021	2,232	63,442	231,993	297,667
Surplus from the income and expenditure statement	128	725	(53,372)	(52,519)
Other comprehensive income	-	-	112,885	112,885
Release of capital grants with expired asset use restrictions	-	(13)	13	-
Total comprehensive income for the year	128	712	59,526	60,366
Balance at 31 July 2022	2,360	64,154	291,519	358,033
Surplus / (Deficit) from the income and expenditure statement	(30)	27	25,798	25,795
Other comprehensive income	-	-	21,915	21,915
Release of capital grants with expired asset use restrictions	-	(333)	333	-
Total comprehensive income for the year	(30)	(306)	48,046	47,710
Balance at 31 July 2023	2,330	63,848	339,565	405,743

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2023

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		26,656	(52,163)
Adjustment for non-cash items			
Taxation	12	303	140
Depreciation	13	29,080	29,243
(Increase) in stock		(41)	(89)
Increase in debtors		(14,705)	(6,226)
Increase in creditors		5,543	8,984
LGPS service costs less contributions paid	25	689	9,285
USS deficit provision expense less contributions paid		(9,619)	68,904
Increase in other provisions	21	21	125
Receipt of donated equipment		-	(1,039)
Service concession agreement nominal rent	15	(718)	(701)
Adjustment for investing or financing activities			
Investment income	6	(4,121)	(574)
Interest payable	9	7,764	5,534
Endowment income	7	-	(187)
Loss on investments		2,680	467
Loss on the sale of fixed assets		763	426
Capital grant income		(10,971)	(3,315)
Net cash inflow from operating activities		33,324	58,814
Cash flows from investing activities			
Capital grants receipts		9,467	5,880
Investment income received		2,904	574
Proceeds from sales of fixed assets		16	17
Payments made to acquire fixed assets		(31,966)	(22,846)
Placement of deposits with maturity of more than 3 months	18	(23,050)	(79,950)
Net cash outflow from investing activities		(42,629)	(96,325)
Cash flows from financing activities			
Interest paid		(2,872)	(2,772)
Repayments of amounts borrowed	20	(5,292)	(5,196)
Net cash outflow from financing activities		(8,164)	(7,968)
Decrease in cash and cash equivalents in the year		(17,469)	(45,479)
Cash and cash equivalents at the beginning of the year		58,655	104,134
Cash and cash equivalents at the end of the year		41,186	58,655

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

1 Tuition fees and education contracts	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Full-time UK and EU students	115,194	117,354	115,194	117,354
Full-time international students	74,931	58,694	74,931	58,694
Part-time students	4,535	3,922	4,535	3,922
	194,660	179,970	194,660	179,970

2 Funding body grants	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Recurrent grant				
Office for Students	9,364	9,128	9,364	9,128
Research England	24,086	20,490	24,086	20,490
Education and Skills Funding Agency	382	585	382	585
Capital grant	2,992	1,775	2,992	1,775
Specific grants				
Higher Education Innovation Fund	5,592	5,262	5,592	5,262
Other	1,917	3,207	1,917	3,207
	44,333	40,447	44,333	40,447

3 Research grants and contracts	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Research councils	21,929	18,814	21,929	18,814
Research charities	4,015	3,343	4,015	3,343
Government (UK and overseas)	14,887	9,447	14,887	9,447
Industry and commerce	7,440	7,577	7,440	7,577
	48,271	39,181	48,271	39,181

Research grants and contracts income contains £4,371,000 (2022: £1,540,000), in respect of capital grants on equipment.

4 Grant and fee income	Consolidated		University	
The source of grant and fee income, included in notes 1 to 3 is as follows:	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Grant income from the Office for Students	9,783	9,403	9,783	9,403
Grant income from other bodies	82,821	70,226	82,821	70,226
Fee income for research awards	4,233	2,759	4,233	2,759
Fee income from non-qualifying courses	1,374	1,365	1,374	1,365
Fee income for taught awards	189,053	175,846	189,053	175,846
	287,264	259,599	287,264	259,599

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

5 Other income	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Residences, catering and conferences	53,246	50,840	42,258	40,769
Other revenue grants	4,076	3,887	4,076	3,887
Other capital grants with restrictions	7,800	-	7,800	-
Gift aid received from subsidiaries	-	-	71	112
Other income	20,990	19,860	22,142	20,473
	86,112	74,587	76,347	65,241

Included in other revenue grants is £645,000 (2022: £695,000) received in respect of the Turing Scheme to provide funding for international opportunities in education and training across the world.

6 Investment income	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Investment income on endowments	27	58	27	58
Investment income on restricted funds	132	2	1	2
Other investment income	3,962	514	3,943	562
	4,121	574	3,971	622

7 Donations and endowments	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
New endowments	-	187	-	187
Donations with restrictions	1,387	2,239	1,387	2,239
Unrestricted donations	172	76	171	76
	1,559	2,502	1,558	2,502

8 Staff costs	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salaries	150,538	132,217	145,609	128,459
Social security costs	14,201	12,833	13,823	12,594
Change in expected contribution to USS deficit recovery plan	(3,250)	71,178	(3,250)	71,178
Other pension costs	24,612	34,733	24,380	34,583
	186,101	250,961	180,562	246,814

The University uses remuneration as one of the tools to attract and retain academic and professional services talent.

Governance

Remuneration for senior staff at the University is governed by the Remuneration Committee, which reports to Council. The Committee comprises three lay members of Council and is chaired by the Senior Pro Chancellor and Chair of Council. An alternative lay Pro Chancellor chairs the meeting while the Vice-Chancellor's pay is being considered. The Chair may invite the Vice-Chancellor and Deputy Vice-Chancellor to attend part of the meeting to share information related to the remuneration of senior staff who report through them. The Vice-Chancellor and Deputy Vice-Chancellor will never be asked to attend for any discussion about, or decision on, their own remuneration. In considering the appropriate reward for the senior officers, Remuneration Committee will ensure that the reward arrangements set out by the University are applied consistently and fairly to this group of staff. Remuneration Committee will also consider the following:

- The institution's performance against the University Strategy and its strategic ambitions
- The size and complexity of the organisation
- The external market and the University's performance against its competitors
- The University's success (or otherwise) in attracting and retaining the most talented people at the highest level
- University and Colleges Employer Association's Senior Staff Remuneration Survey with a particular focus on Russell Group institutions
- Committee of University Chairs' Vice-Chancellor Salary Survey with a particular focus on Russell Group institutions

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

8 Staff costs (continued)

Performance assessment

The University's Performance and Development Review (PDR) system provides a robust basis for managing performance, developing staff and helping to inform remuneration decisions. Project Expectations, which is part of the Enabling Programme, supporting the delivery of the University Strategy, which was launched in 2022, is currently reviewing the existing arrangements for performance and development management and reward and recognition.

In considering the performance of the Vice-Chancellor the achievements of the University are also considered and the University has had another very successful year. Achievements include:

- 10th out of 132 universities in the Times and Sunday Times Good University Guide 2023
- 10th in the Guardian League Table 2023
- 7th in the Complete University Guide 2024

Salary benchmarking

The Vice-Chancellor's pay was reviewed in relation to the data provided by the UCEA Senior Staff Salary Survey and the CUC Salary Survey. The Committee approved the Chair of Council's recommendation that the Vice Chancellor should receive an increase in line with the national pay award.

The Executive Team's pay was reviewed in relation to the data provided by the UCEA Senior Staff Salary Survey and an assessment of pay parity and equity was conducted. Particular attention was paid to pay comparability with Russell Group institutions. The Committee approved the Vice-Chancellor's recommendation that those members of his team who had been in post all year should receive an increase in line with the national pay award. A discussion also took place regarding the appropriateness of performance related reward.

Salary bandings of higher paid staff

The full-time equivalent basic salary of higher paid staff (including the Vice-Chancellor), excluding employer's pension contributions, was within the ranges set out below. The full-time equivalent basic salary is calculated prior to any adjustment for salary sacrifice and includes market supplements but excludes bonuses, allowances, clinical excellence awards and other such payments. Where all or a proportion of salary is reimbursed by another body only any portion paid by or charged to the University is disclosed. Only staff members who were in position as at 31st July have been included in the below table:

	2023	2022
£100,000 to £104,999	11	7
£105,000 to £109,999	8	5
£110,000 to £114,999	5	10
£115,000 to £119,999	10	6
£120,000 to £124,999	3	7
£125,000 to £129,999	7	1
£130,000 to £134,999	4	1
£135,000 to £139,999	1	2
£140,000 to £144,999	2	-
£145,000 to £149,999	-	1
£150,000 to £154,999	2	-
£155,000 to £159,999	-	1
£165,000 to £169,999	-	1
£170,000 to £174,999	1	-
£180,000 to £184,999	1	2
£185,000 to £189,999	1	-
£195,000 to £199,999	-	1
£200,000 to £204,999	-	1
£205,000 to £209,999	2	-
£305,000 to £309,999	-	1
£310,000 to £314,999	1	-
	59	47

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

8 Staff costs (continued)	2023	2022
Average staff numbers by major category :		
Academic	802	790
Teaching and scholarship	219	188
Research	254	260
Management & specialist	696	636
Technical	188	184
Other	1,185	1,139
	3,344	3,197

During 2022/23 the Group paid a total of £477,000 to 82 employees for compensation for loss of office (2021/22: £376,000 to 50 employees).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel.

The University considers its key management personnel to be the following seven members of staff: the Vice-Chancellor; Deputy Vice-Chancellor; Pro Vice-Chancellor (Research and Innovation); Pro Vice-Chancellor (Education and Student Engagement); Pro Vice-Chancellor (Equity, Diversity and Inclusion); Chief Operating Officer; Chief Financial Officer. Key management personnel compensation excludes amounts paid to the Vice-Chancellor whose remuneration is disclosed below.

	2023	2022
	£'000	£'000
Key management personnel compensation	1,390	1,037

Emoluments of the Vice-Chancellors

During the prior year there were two Vice-Chancellors and an acting Vice-Chancellor. Whilst the outgoing Vice-Chancellor remained employed to 30 September 2021, the interim Vice-Chancellor was our accountable officer to Office for Students during the period 1 August 2021 to 3rd October 2021, with the new Vice-Chancellor coming into position on 4 October 2021.

	2023	2022
	£	£
Prof R.J. Allison to 30 September 2021		
Basic salary	-	49,595
Pension contributions to USS	-	2,898
Payment in lieu of pension contributions to USS	-	5,051
	-	57,544
Prof C. Linton 1 August 2021 to 3 October 2021		
Basic salary	-	33,247
Pension contributions to USS	-	2,572
Payment in lieu of pension contributions to USS	-	2,966
	-	38,785
2022: Prof N.R. Jennings 4 October 2021 to 31 July 2022		
2023: Prof N.R. Jennings 1 August 2022 to 31 July 2023		
Basic salary	312,090	250,000
Payment in lieu of pension contributions to USS	38,633	31,875
Taxable relocation payment	-	24,000
	350,723	305,875

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

8 Staff costs (continued)

Key management personnel (continued)

Pay multiple: Loughborough University is a campus university, operating retail and catering outlets and maintaining significant university-owned student accommodation. The University retains many in-house support services that have been outsourced at other institutions, for example cleaning, catering, security or facilities management functions. The University has also included in its calculations a significant number of staff who will have received remuneration during the year on the basis of atypical claims contracts. These factors may adjust downwards the median salary of staff compared to other institutions and pay multiples should be considered carefully in that context.

The pay multiples of the three Vice-Chancellors in place during the year are as follows:

Basic Salary	2023	2022
Prof R.J. Allison	-	11.6
Prof C. Linton	-	7.8
Prof N.R. Jennings	11.6	11.7

Calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

Total Remuneration	2023	2022
Prof R.J. Allison	-	10.7
Prof C. Linton	-	7.4
Prof N.R. Jennings	10.7	11.7

Calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff.

9 Interest and other finance costs	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Loan interest	2,933	2,798	2,917	2,798
Finance lease interest (incl. service concession finance charge)	358	326	358	326
Finance charge on USS pension provision	3,744	384	3,744	384
Net charge on LGPS pension scheme (note 25)	729	2,026	729	2,026
	7,764	5,534	7,748	5,534

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

10 Analysis of total expenditure by activity	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Academic and related expenditure	114,023	102,147	114,635	102,530
Academic services	35,594	32,750	34,823	31,882
Administration and central services	39,773	31,966	39,848	32,051
Premises (including service concession costs)	59,320	49,357	59,320	49,355
Residences, catering and conferences	35,166	32,574	26,624	24,972
Research grants and contracts	33,366	26,592	33,366	26,592
Staff and student facilities	32,490	29,465	31,843	28,731
Movement in pension provision	(4,472)	80,593	(4,472)	80,593
Other operating expenses	3,394	2,946	3,146	2,683
	348,654	388,391	339,133	379,390

Other operating expenses include:

External auditor's remuneration in respect of audit services	200	144	155	107
External auditor's remuneration in respect of non-audit services	8	26	8	26
Operating lease rentals:				
Land and Buildings	1,053	1,053	1,053	1,053

11 Access and Participation	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Access Investment (i)	2,530	2,537	2,530	2,537
Financial Support	4,156	4,758	4,156	4,758
Disability Support (i)	1,417	1,405	1,417	1,405
Research and Evaluation (i)	302	253	302	253
	8,405	8,953	8,405	8,953

(i) These costs are already included in the overall staff costs figures included in the Financial Statements, see note 8.

Investment in Access and Participation for 2022/23 is not significantly different to the original APP plan, with reportable spend being within 4.2% overall (lower levels of spend compared to plan). Financial Support is lower where less students have met the criteria than expected in the original plan.

The University's published access and participation plan can be accessed at: www.lboro.ac.uk/study/access-participation/

12 Taxation	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Recognised in the Statement of Comprehensive Income and Expenditure				
Current tax				
Current tax expense	-	-	-	-
Adjustment in respect of previous years	-	-	-	-
Current tax expense	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	303	140	-	-
Deferred tax expense	303	140	-	-
Total tax expense	303	140	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

13 Fixed assets

Consolidated	Freehold Land and Buildings £'000	Leasehold Improvements £'000	Service concession Land and Buildings (note 15) £'000	Fixtures, Fittings, Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
Cost						
At 1 August 2022	504,437	7,563	10,691	264,761	9,507	796,959
Additions	6,327	-	-	18,417	11,391	36,135
Transfers	5,513	-	-	3,465	(7,683)	1,295
Disposals	(1,048)	-	-	(5,325)	(354)	(6,727)
At 31 July 2023	515,229	7,563	10,691	281,318	12,861	827,662
Depreciation						
At 1 August 2022	173,878	2,011	4,144	149,264	-	329,297
Charge for the year	11,527	304	518	16,731	-	29,080
Transfers	296	-	-	-	-	296
Disposals	(646)	-	-	(5,302)	-	(5,948)
At 31 July 2023	185,055	2,315	4,662	160,693	-	352,725
Net book value						
At 31 July 2023	330,174	5,248	6,029	120,625	12,861	474,937
At 31 July 2022	330,559	5,552	6,547	115,497	9,507	467,662

University	Freehold Land and Buildings £'000	Leasehold Improvements £'000	Service concession Land and Buildings (note 15) £'000	Fixtures, Fittings, Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
Cost						
At 1 August 2022	498,028	7,563	10,691	256,391	9,507	782,180
Additions	6,327	-	-	17,761	11,243	35,331
Transfers	5,513	-	-	3,465	(7,683)	1,295
Disposals	(1,048)	-	-	(5,054)	(354)	(6,455)
At 31 July 2023	508,820	7,563	10,691	272,564	12,714	812,351
Depreciation						
At 1 August 2022	166,856	2,011	4,144	144,442	-	317,453
Charge for the year	11,259	304	518	16,122	-	28,203
Transfers	296	-	-	-	-	296
Disposals	(646)	-	-	(5,031)	-	(5,677)
At 31 July 2023	177,765	2,315	4,662	155,533	-	340,275
Net book value						
At 31 July 2023	331,055	5,248	6,029	117,031	12,714	472,076
At 31 July 2022	331,172	5,552	6,547	111,949	9,507	464,727

At 31 July 2023, freehold land and buildings included £91,292,000 (2022: £91,292,000) in respect of freehold land which is not depreciated.

In accordance with the terms and conditions of funding with OfS, OfS has the right but not the obligation to demand repayment of Exchequer interest in the event of the University ceasing to be designated to be eligible for OfS funding or becoming insolvent.

The Exchequer interest at 31 July 2023 was £18,892,000 (2022: £21,357,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

14 Heritage assets	Consolidated	University
	£'000	£'000
Cost and net book value		
At 1 August 2022	1,165	1,165
At 31 July 2023	1,165	1,165

The University's heritage assets consist of works of art such as paintings, vases, trophies, medals and sculptures. They were last valued in 2012 by an independent chartered valuer at agreed insurance valuations.

15 Service concession arrangements

The University has two arrangements where service delivery has commenced which have been recognised on the Balance Sheet.

Movement in service concession arrangement assets and liabilities

The total asset values included in the Balance Sheet as at 31 July 2023 were £6,029,000 (2022: £6,547,000). The reduction of £518,000 was as a result of depreciation.

The total liabilities relating to the service concessions included in the Balance Sheet as at 31 July 2023 were £7,848,000 (2022: £8,277,000). The reduction of £429,000 was the result of the £719,000 treated as repaid during the year being offset by a finance charge of £290,000.

Future commitments

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

	Payable in <1 year	Payable in 2-5 years	Payable in >5 years	Total
	£'000	£'000	£'000	£'000
Liability repayments	618	2,628	6,955	10,201
Less: future finance charges	(275)	(969)	(1,109)	(2,353)
Present value of service concession agreement obligations	343	1,659	5,846	7,848

The notes below give more information on the University's current service concession arrangements:

a) On Balance Sheet service concession arrangements

In March 2002, the University entered into a 35 year contract with a third party provider for the provision and maintenance of student accommodation. The assets and liabilities relating to this scheme are recognised on the University's balance sheet. Service commenced on 1 August 2002 and the contract will finish on 31 July 2037. The University has the right to renew the nominations agreement for the life of the 99 year head lease. The University has an annual occupancy guarantee amounting to committed annual payments for the year ended 31 July 2023 of £602,000 (2022: £588,000) recorded within other operating expenses.

In August 2003, the University entered into a 20 year contract with a third party provider for the provision and maintenance of student accommodation. The assets and liabilities relating to this scheme are recognised on the University's Balance Sheet. Service commenced on 1 August 2003 and the contract finished on 31 July 2023. The University has an annual occupancy guarantee amounting to annual payments for the year ended 31 July 2023 of £116,000 (2022: £113,000) recorded within other operating expenses.

b) Other service concession arrangements not recognised on the balance sheet

In June 2007, the University entered into an agreement with a third party for the provision and maintenance of student accommodation. The agreement expires in 2044 and includes an option to receive the reversionary interest at nil consideration at the expiry date. The University has no minimum guaranteed payment and therefore no asset and liability to recognise on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

16 Non-current investments

Consolidated	Investment in subsidiary companies £'000	Subsidiary investment in spinouts £'000	Investment properties £'000	Long term loans receivable £'000	Other non-current asset investments £'000	Total £'000
At 1 August 2022	-	147	19,002	468	1,836	21,453
Additions	-	-	-	78	656	734
Disposals	-	-	-	-	-	-
Transfers	-	-	(999)	-	-	(999)
Movement in fair value	-	-	(2,624)	-	(56)	(2,680)
At 31 July 2023	-	147	15,379	546	2,436	18,508

University	Investment in subsidiary companies £'000	Subsidiary investment in spinouts £'000	Investment properties £'000	Long term loans receivable £'000	Other non-current asset investments £'000	Total £'000
At 1 August 2022	8,142	-	25,843	177	1,836	35,998
Additions	-	-	-	-	656	656
Disposals	-	-	-	-	-	-
Transfers	-	-	(999)	-	-	(999)
Movement in fair value	-	-	(3,394)	-	(56)	(3,450)
At 31 July 2023	8,142	-	21,450	177	2,436	32,205

Investment properties, which are all freehold land and buildings, were revalued to fair value at 31 July 2023, based on a valuation undertaken by Avison Young, an independent valuer with recent experience in the location and class of the investment property being valued.

A market-based valuation for the assets, using available comparable information was adopted in determining the fair value. Investment valuations assume the continuing benefit of subsisting tenancies. There are no restrictions on the realisability of investment property.

If freehold land and buildings had not been revalued they would have been included with a carrying value of:

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Carrying value of freehold land and buildings	14,970	16,272	18,971	20,531

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

17 Trade and other receivables	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	8,295	5,576	8,295	5,576
Other trade receivables	26,780	20,422	24,647	18,176
Derivatives	1,439	1,439	1,439	1,439
Prepayments and accrued income	10,137	7,649	10,031	7,503
Amounts due from subsidiary companies	-	-	2,342	2,058
	46,651	35,086	46,754	34,752

Amounts due from subsidiary companies are non-interest bearing and are repayable on demand.

18 Current investments	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Short term deposits	103,000	79,950	103,000	79,950
	103,000	79,950	103,000	79,950

19 Creditors : Amounts falling due within one year	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Unsecured loans	5,390	5,292	5,390	5,292
Service concession arrangements (Note 15)	343	428	343	428
Trade payables	15,016	15,772	13,285	13,374
Social security and other taxation payable	4,569	3,638	4,569	3,638
Accruals and deferred income	55,900	51,760	55,411	51,429
Amounts due to subsidiary companies	-	-	5,702	2,433
	81,218	76,890	84,700	76,594

Amounts due to subsidiary companies are non-interest bearing and are repayable on demand.

Deferred income

Accruals and deferred income includes the following items of income which have been deferred until specific performance related conditions have been met.

Donations	192	186	192	186
Research grants received on account	24,140	22,929	24,140	22,929
Grant income	5,075	7,796	5,075	7,796
Other income	7,047	6,642	7,047	6,642
	36,454	37,553	36,454	37,553

20 Creditors : Amounts falling due after more than one year	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Service concession liabilities due after one year (Note 15)	7,505	7,849	7,505	7,849
Unsecured loans	87,722	93,113	87,722	93,113
Other creditors	899	178	899	178
	96,126	101,140	96,126	101,140

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

20 Creditors : Amounts falling due after more than one year (continued)		Consolidated		University	
	2023	2022	2023	2022	
	£'000	£'000	£'000	£'000	
Analysis of unsecured loans:					
Due between one and two years	5,501	5,391	5,501	5,391	
Due between two and five years	17,199	16,846	17,199	16,846	
Due in five years or more	65,022	70,876	65,022	70,876	
Due after more than one year	87,722	93,113	87,722	93,113	
Due within one year or on demand (Note 19)	5,390	5,292	5,390	5,292	
Total unsecured loans	93,112	98,405	93,112	98,405	
Unsecured loan repayable by 2035	21,112	22,284	21,112	22,284	
Unsecured fixed rate (4.46%) loan repayable by 2039	6,823	7,118	6,823	7,118	
Unsecured fixed rate (3.17%) loan repayable by 2041	7,219	7,503	7,219	7,503	
Unsecured fixed rate (3.26%) loan repayable by 2043	15,208	15,750	15,208	15,750	
Unsecured fixed rate (2.47%) loan repayable by 2037	42,750	45,750	42,750	45,750	
Total unsecured loans	93,112	98,405	93,112	98,405	

Note on loan repayable by 2035: £10.0m of the loan is charged at 0.20% above base rate and the remaining balance is charged at a fixed rate of 3.48% (3.28% cost of funds plus 0.20% margin). This loan is repayable by instalments over the period to 10 December 2035.

21 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS pension	Pension enhancements on retirement	Defined benefit obligations (Note 25)	Total pension provisions	Other Provisions including Deferred tax	Total other provisions
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	112,434	1,769	20,497	134,700	303	303
Utilised	(6,384)	(69)	6,358	(95)	157	157
Additions and remeasurements	494	(67)	(26,855)	(26,428)	-	-
At 31 July 2023	106,544	1,633	-	108,177	460	460

University	Obligation to fund deficit on USS pension	Pension enhancements on retirement	Defined benefit obligations (Note 25)	Total pension provisions	Other Provisions including Deferred tax	Total other provisions
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	112,434	1,769	20,497	134,700	-	-
Utilised	(6,384)	(69)	6,358	(95)	-	-
Additions and remeasurements	494	(67)	(26,855)	(26,428)	-	-
At 31 July 2023	106,544	1,633	-	108,177	-	-

Obligation to fund deficit on USS pension: The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating the provision, future staff numbers within the USS scheme and salary inflation (average of 4.66% over the recovery period, 2022: 4.33%) have been estimated for the duration of the contractual period. The provision is discounted at 5.49% (2022: 3.33%).

More details on the 2020 actuarial valuation are set out in note 25. Sensitivity of the obligation to the principle assumptions are outlined under critical accounting judgements above.

Pension enhancement on retirement: The University has an obligation to make payments to a small number of pensioners in relation to a legacy pension enhancement agreement. The provision is calculated based on the University's best estimate of the future cash flows required to settle the obligation. The provision is not discounted as the time value of money is not material to the valuation. The assumptions in respect of life expectancy for calculating this provision are the same as those shown in note 25, however given the shorter duration of the expected cash flows inflation has been estimated at 2.26% (2022: 3.39%).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

22 Financial instruments		Consolidated		University	
The carrying values of the Group and University's financial assets and liabilities are summarised by category below:		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Financial assets	Notes				
Measured at fair value through income and expenditure					
Investments in listed ordinary shares		-	-	-	-
Investments in common investment funds		2,295	1,695	2,295	1,695
Debt instruments measured at amortised cost					
Long-term loans receivable	16	546	468	177	177
Measured at undiscounted amount receivable					
Trade and other receivables	17	35,075	25,998	35,284	25,810
Equity instruments measured at cost less impairment					
Non-current asset investments in unlisted equity instruments		289	289	142	142
		38,205	28,450	37,898	27,824
Financial liabilities					
Measured at amortised cost					
Loans payable	20	93,112	98,405	93,112	98,405
Obligations under service concession agreements	15	7,848	8,277	7,848	8,277
Measured at undiscounted amount payable					
Trade and other creditors	19	19,585	19,410	23,556	19,445
		120,545	126,092	124,516	126,127
The Group's income, expense, gains and losses in respect of financial instruments are summarised below:					
Interest income/(expense)					
Total interest income for financial assets at amortised cost	6	4,121	574	3,971	622
Total interest expense for financial liabilities at amortised cost	9	(3,291)	(3,124)	(3,275)	(3,124)
		830	(2,550)	696	(2,502)
Fair value losses					
On financial assets measured at fair value through income and expenditure	16	(2,680)	(369)	(3,450)	(569)
		(2,680)	(369)	(3,450)	(569)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

23 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Restricted expendable endowments	2023	2022
	£'000	£'000	£'000	£'000
Consolidated				
At 1 August 2022				
Capital	1,167	469	1,636	1,740
Accumulated income	358	366	724	492
	1,525	835	2,360	2,232
New endowments	-	-	-	186
Investment income	20	7	27	58
Expenditure	(2)	(2)	(4)	(10)
Decrease in market value of investments	(34)	(19)	(53)	(106)
Total endowment comprehensive (expense) / income for the year	(16)	(14)	(30)	128
At 31 July 2023	1,509	821	2,330	2,360
Represented by:				
Capital	1,319	450	1,769	1,636
Accumulated income	375	185	560	724
	1,694	635	2,329	2,360
University				
At 1 August 2022				
Capital	1,167	469	1,636	1,740
Accumulated income	358	366	724	492
	1,525	835	2,360	2,232
New endowments	-	-	-	186
Investment income	20	7	27	58
Expenditure	(2)	(2)	(4)	(10)
Decrease in market value of investments	(34)	(19)	(53)	(106)
Total endowment comprehensive (expense) / income for the year	(16)	(14)	(30)	128
At 31 July 2023	1,509	821	2,330	2,360
Represented by:				
Capital	1,319	450	1,769	1,636
Accumulated income	375	185	561	724
	1,694	635	2,330	2,360
Analysis of consolidated funds by type of purpose:				
Prizes and scholarships	977	249	1,226	1,046
Hardship funds	109	127	236	240
Travel awards and other	107	-	107	296
Lectures	-	259	259	264
Post and departmental support	502	-	502	513
	1,695	635	2,330	2,359
Analysis of consolidated funds by asset:				
Current and non-current asset investments			2,223	1,636
Cash & cash equivalents			107	724
			2,330	2,360

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

24 Restricted reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants for restricted use assets	Other capital grants with restrictions	Restricted donations	Revenue grants with restrictions	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	57,618	-	6,422	114	64,154	63,442
Grant income	-	12,171	-	40,770	52,941	39,003
Donation income	-	-	1,387	-	1,387	2,239
Investment income	-	-	1	-	1	2
Capital grants with expired use restrictions	(333)	-	-	-	(333)	(13)
Expenditure	-	(12,171)	(1,432)	(40,696)	(54,299)	(40,515)
Decrease in market value of investments	-	-	(2)	-	(2)	(4)
Total restricted comprehensive income for the year	(333)	-	(47)	74	(306)	712
At 31 July 2023	57,284	-	6,375	188	63,848	64,154

	2023	2022
	£'000	£'000
Analysis of consolidated donations with restrictions by type of purpose:		
Post and departmental support	1,032	1,145
Prize funds	14	15
Other	5,329	5,279
	6,375	6,439

University	Capital grants for restricted use assets	Other capital grants with restrictions	Restricted donations	Revenue grants with restrictions	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	57,618	-	6,422	114	64,154	63,442
Grant income	-	12,171	-	40,770	52,941	39,003
Donation income	-	-	1,387	-	1,387	2,239
Investment income	-	-	1	-	1	2
Capital grants with expired use restrictions	(333)	-	-	-	(333)	(13)
Expenditure	-	(12,171)	(1,432)	(40,696)	(54,299)	(40,515)
Decrease in market value of investments	-	-	(2)	-	(2)	(4)
Reserves transferred from subsidiary	-	-	-	-	-	-
Total restricted comprehensive income for the year	(333)	-	(47)	74	(306)	712
At 31 July 2023	57,284	-	6,375	188	63,848	64,154

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

25 Pension schemes

Different categories of staff were eligible to join one of three different schemes:

- Universities Superannuation Scheme (USS)
- The Local Government Pension Scheme (LGPS) which is administered by Leicestershire County Council
- The Teachers' Pension Scheme (TPS)

The total charge to the consolidated income and expenditure account (excluding finance expense) is noted below.

	2023 £'000	2022 £'000
Contributions paid to USS (excluding amounts paid under the USS deficit recovery plan)	15,857	17,864
Movement on USS provision	(3,250)	71,178
	12,607	89,042
LGPS	8,492	16,527
Other pension schemes	263	342
	21,362	105,911

(i) The Universities Superannuation Scheme (USS)

The total cost charged to the income and expenditure account is £12,607,000 (2022: £89,042,000).

Deficit recovery contributions due within one year for the institution are £7,436,000 (2022: £6,681,000).

The latest available complete actuarial valuation of the Scheme is as at 31 March 2020 (the valuation date), and 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%.

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

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a to 2030, reducing linearly by 0.1% p.a to a longterm difference of 0.1% p/a from 2040

Pension increase (CPI)

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:

Mortality base table

Mortality base table

Future improvements to mortality

2020 valuation

101% of S2PMA "light" for males and 95% of S3PFA for females

CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	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 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: Future staff numbers within the USS scheme and salary inflation (average of 4.66% over the recovery period, 2022: 4.33%). The provision is discounted at 5.49% (2022: 3.33%).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

25 Pension schemes (continued)

(ii) Local Government Pension Scheme (LGPS)

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

For LGPS, the actuary has indicated in the 2022 valuation that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations.

Under the definitions set out in FRS102, the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2023.

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

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	2023 %pa	2022 %pa
Pension increase rate (CPI)	3.00	2.75
Salary increase rate (RPI)	3.50	3.25
Discount rate	5.05	3.50

The pension increase assumption is set in line with the Consumer Prices Index (CPI) assumption. As a market in CPI linked bonds does not exist, an estimate is used to calculate the long-term gap between RPI and CPI to derive a CPI assumption for accounting purposes. The RPI-CPI gap is 0.3% over short durations; and 0.4% over medium and long durations. A 0.1% change in assumption results in a change of £3.3m to the Defined Benefit Obligation, sensitivity of the obligation to the principle assumptions are outlined under critical accounting judgements.

The CPI assumption has been updated to make allowance for inflation experience since September 2022 being higher than assumed. This adjustment has resulted in the CPI assumption being 0.20% higher compared to the assumption that would have been derived using the methodology adopted at 31 July 2022. The impact of this change in methodology is estimated to be an increase in scheme liabilities of £7.1m.

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65 as at the latest Fund valuation date.

	Males	Females
Current pensioners	20.7 years	24.1 years
Future pensioners	21.3 years	25.4 years

Scheme assets and expected rate of return for LGPS

The assets in the scheme, measured at fair value, were:

	31 July 2023 £'000	31 July 2022 £'000
Equities	115,675	119,799
Bonds	68,999	64,031
Property	14,206	18,590
Cash	4,059	4,131
Total	202,939	206,551

	2023 £'000	2022 £'000
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Analysis of the amount shown in the Balance Sheet

Scheme assets	202,939	206,551
Scheme liabilities	(186,095)	(227,048)
Pension Surplus not recognised	(16,844)	-
Deficit in the scheme	-	(20,497)

Analysis of the amount charged to staff costs within operating surplus

Current service cost	8,396	16,233
Past service costs (including curtailments)	96	294
Total operating charge	8,492	16,527

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

25 Pension schemes (continued)

	2023	2022
	£'000	£'000
Analysis of the amount charged to interest payable		
Interest cost on defined benefit obligation	8,010	5,087
Interest income on plan assets	(7,281)	(3,061)
Net charge to interest and other finance costs	729	2,026
Analysis of other comprehensive income for LGPS		
Return on assets excluding amounts included in net interest	(7,089)	10,681
Changes in financial assumptions	53,582	113,724
Changes in demographic assumptions	3,340	1,171
Other experience	(11,074)	(12,691)
Pension Surplus not recognised	(16,844)	-
Total other comprehensive income before deduction for tax	21,915	112,885
Analysis of movement in the present value of scheme liabilities		
Present value at the start of the year	227,048	312,178
Current service cost	8,396	16,233
Past service cost including curtailment	96	294
Interest cost	8,010	5,087
Actual member contributions	1,827	1,620
Actuarial (loss) / gain	(52,924)	(102,204)
Actual benefit payments	(6,358)	(6,160)
Present value at the end of the year	186,095	227,048
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	206,551	190,107
Interest income on plan assets	7,281	3,061
Actuarial (loss) / gain on assets	(7,089)	10,681
Actual contributions paid by University	7,803	7,242
Actual member contributions (including notional contributions)	1,827	1,620
Other Experience	(7,076)	0
Actual benefit payments	(6,358)	(6,160)
Fair value of scheme assets at the end of the year	202,939	206,551
Actual gain on scheme assets in the year	192	13,742

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

The estimated employer's contribution payable to LGPS in the financial year 2023/24 is £7,393,000.

In determining the valuation of the Leicestershire County Council Pension Fund, a number of key assumptions have been made. The key assumptions, (discount rate, inflation rate and life expectancy), are largely dependent on factors outside the control of the University.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

The 2022 scheme liabilities made an allowance for actual observed inflation to July 2022 of 9.9%, which was higher than the financial assumption rate of 2.75%, and represented a constructive obligation as at 31 July 2022 to increase pensions from April 2023 by this amount following approval of the pensions increase order by parliament in March 2023. The impact of this experience was to increase our liability by £12,047,000, which is recognised as an actuarial loss. Due to the change in economic circumstances, no similar adjustment is required this year.

The scheme surplus at 31 July 2023 has not been recognised, as it is not recoverable through either refunds or reduced contributions at this time.

iii) Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts. As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023. A copy of the latest valuation report can be found in the following link:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

26 Subsidiary undertakings

The University wholly owns or effectively controls the following subsidiary companies (all of which are registered in England and Wales with their registered office at Finance Office, Loughborough University, Loughborough, LE11 3TU):

Company name	Shareholding	Principal activity
Imago @ Loughborough Limited	100%	Market, sell and operate accommodation, catering and conference space located at Loughborough University.
Loughborough University Enterprises Limited	100%	Marketing of the expertise and facilities of the University in applicable specialist areas
Loughborough University Nursery Limited	100%	Provision of childcare services
Loughborough University Development Trust (non-trading)	Limited by guarantee	Promotion of the charitable purposes of the University

27 Associated undertakings

The Group has the following interests in associated undertakings:

Company name (registered office)	Shareholding	Principal activity
Dineticq Limited (LUSEP, Holywell Building, Holywell Way, Loughborough, England, LE11 3UZ)	49.5%	Commercialisation of biomechanical research and development of a virtual coaching system.
Zayndu Limited (LUSEP, Holywell Building, Holywell Way, Loughborough, Leicestershire, LE11 3UZ)	27.2%	Exploitation of 'Plasma Drum Reactor: Seed Disinfection' technology
Figura Analytics Limited (LUSEP, Holywell Building, Holywell Way, Loughborough, Leicestershire, LE11 3UZ)	25.9%	Exploitation of 'Flow Resistive Pulse Sensors to Detect Bacteria in Liquids' technology
Hazid Technologies Limited (35 - 37 St Mary's Gate Lace Market, Nottingham, Nottinghamshire, NG1 1PU)	24.5%	Provider of 'Knowledge Engineering Software and Services to the Global Process Industries'

The Group's share of the profit or loss for the year and the net assets of the associated undertaking is not material to these Financial Statements in either the current or prior year and has therefore been excluded from the consolidation.

The University holds no investment in the East Midlands Institute of Technology, a company limited by guarantee with the University's liability limited to a maximum of £1.

28 Connected charitable institutions

One charitable institution (Loughborough University Development Trust) is administered by or on behalf of the University and has been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, this connected institution is exempt from registration with the Charity Commission. This charity is included as a subsidiary undertaking in these consolidated financial statements and the movements in the year on the total funds of the connected institution, as reported in its own accounts, were as follows:

	Loughborough University Development Trust £'000
At 1 August 2022	-
Income	-
Transfers to Loughborough University	-
At 31 July 2023	-

On 31 July 2018 the assets and operations of Loughborough University Development Trust were transferred to Loughborough University and the Trust ceased to operate on the same date. Transactions shown above represent income received in relation to agreements entered into by the Trust prior to ceasing to trade and the subsequent transfer of these assets to Loughborough University

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

29 Related party transactions

The University's Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions 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 below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. All balances outstanding at the year-end are held on normal credit terms and do not carry any interest.

	2023 Income £'000	2023 Expenditure £'000	Balance due to the University at 31 July 2023 £'000	Balance due from the University at 31 July 2023 £'000
Members of Council				
ESRC	4,057	-	44	-
Loughborough Students Union	1,110	(39)	154	-
Santander UK	80	-	-	-
Charnwood Borough Council	362	(1,113)	-	-
University of Leicester	144	(111)	-	-
EPSRC	11,688	(6,694)	1,162	(8,069)
Senior members of the University				
Leicestershire County Council	96	(1)	15	-
LTA Operations Limited	1,537	(1,632)	318	(1,372)
Loughborough College	257	(146)	15	-
Institute of Mathematics and its Applications	-	(54)	-	-
Office for Students	-	(170)	-	-
Manufacturing Technology Centre	-	-	201	-
Associated undertakings				
Figura Analytics Limited	-	-	92	-
Dineticq Limited	-	-	100	-

The total expenses paid to or on behalf of 17 council members were £5,300 (2022: £4,764 to 10 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and any other events in their official capacity. The University Officers and Members of Council have also had access to the catering, sporting and other facilities of the University on terms which are available to all members of University staff.

The University has taken advantage of the exemption allowed by FRS102 not to disclose transactions between wholly owned group companies. No information has been listed above for organisations where income or expenditure is less than £50,000 in the current year.

	2022 Income £'000	2022 Expenditure £'000	Balance due to the University at 31 July 2022 £'000	Balance due from the University at 31 July 2022 £'000
Members of Council				
Leicestershire County Council	72	(3)	2	(2)
EPSRC	13,187	(8,482)	1,188	(7,962)
Senior members of the University				
Loughborough Students Union	232	(1,806)	8	(1)
LTA Operations Limited	1,227	(1,371)	220	(1,248)
BUFDG (British Universities Finance Directors Group)	51	-	3	-
Commonwealth England	138	-	24	-
Loughborough College	225	(129)	-	2
Manufacturing Technology Centre	145	-	-	-
Loughborough Schools Foundation	13	(290)	1	9
British Triathlon	185	-	5	-
Associated undertakings				
Figura Analytics Limited	-	-	92	-
Dineticq Limited	-	-	100	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

30 Consolidated reconciliation of net debt				
	at 1 August 2022 £'000	Cash flows £'000	Non-cash changes £'000	at 31 July 2023 £'000
Cash in hand	58,655	(17,469)	-	41,186
Current investments	79,950	23,050	-	103,000
Debt due within one year	(5,720)	(98)	85	(5,733)
Debt due after one year	(100,962)	5,391	344	(95,227)
	31,923	10,874	429	43,226
Fixed investments	2,332	-	678	3,010
Total	34,255	10,874	1,107	46,236

31 Financial commitments		Consolidated	University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Commitments contracted	27,503	17,417	26,675	17,385

Total future minimum lease payments under non-cancellable operating leases are as follows:

Consolidated	Land and buildings £'000	Plant and machinery £'000	Other leases £'000	2023	2022
				Total £'000	Total £'000
Payable during the year	1,053	397	3,658	5,108	1,153
Future minimum lease payments due:					
Not later than one year	1,053	391	2,000	3,444	3,176
Later than one year and not later than five years	4,720	680	735	6,135	5,279
Later than five years	1,386	-	-	1,386	1,386
Total lease payments due	7,159	1,071	2,735	10,965	9,841
University	Land and buildings £'000	Plant and machinery £'000	Other leases £'000	2023	2022
				Total £'000	Total £'000
Payable during the year	1,053	361	3,658	5,072	3,030
Future minimum lease payments due:					
Not later than one year	1,053	316	2,000	3,369	3,114
Later than one year and not later than five years	4,720	612	735	6,067	5,178
Later than five years	1,386	-	-	1,386	1,386
Total lease payments due	7,159	928	2,735	10,822	9,678

Significant leases include the lease of the London campus (included in land and buildings), sports equipment (plant and machinery) and software licences (other).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

32 Leases receivable

At the Balance Sheet date, the following future minimum lease payments were receivable from tenants under operating leases for land and buildings:

	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Future minimum lease payments receivable:				
Not later than one year	2,433	2,226	3,363	3,156
Later than one year and not later than five years	5,077	4,536	8,797	8,256
Later than five years	1,181	1,490	21,831	23,070
Total lease payments receivable	8,691	8,252	33,991	34,482

Significant leases include the lease of hotel and conferencing facilities to a subsidiary company and leases to tenants of the University's Science and Enterprise Park.

33 Events after the reporting period

There are no events after the reporting period requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

34 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);

The

Primary Reserve Ratio

Page	Expendable Net Assets		2023		2022	
			£'000	£'000	£'000	£'000
49	Statement of Financial Position - Income and expenditure reserve - unrestricted	Net assets without donor restrictions	-	333,956	-	297,097
49	Statement of Financial Position - Income and expenditure reserve - endowment reserve, restricted reserve	Net assets with donor restrictions	-	66,178	-	66,514
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Secured and Unsecured related party receivable	738	-	1,556	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Unsecured related party receivable	-	738	-	1,556
74	Appendix A Note for Property Plant and Equipment	Property, plant and equipment, net (includes Construction in progress)	476,102	-	468,827	-
74	Appendix A Note for Property Plant and Equipment	Property, plant and equipment - pre-implementation	-	385,496	-	405,657
	Not applicable	Property, plant and equipment - post-implementation with outstanding debt for original purchase	-	-	-	-
74	Appendix A Note for Property Plant and Equipment	Property, plant and equipment - post-implementation without outstanding debt for original purchase	-	79,215	-	54,472
74	Appendix A Note for Property Plant and Equipment	Construction in progress	-	11,391	-	8,698
	Not applicable	Lease right-of-use asset, net	-	-	-	-
	Not applicable	Lease right-of-use asset pre-implementation	-	-	-	-
	Not applicable	Lease right-of-use asset post-implementation	-	-	-	-
	Not applicable	Intangible assets	-	-	-	-
	Not applicable	Intangible assets	-	-	-	-
49	Statement of Financial Position - Pension provisions	Post-employment and pension liabilities	-	108,177	-	122,653
61	Note of the Financial Statements - Creditors : Amounts falling due after more than one year - Total unsecured loans	Long-term debt - for long term purposes	93,112	-	98,405	-
61	Note of the Financial Statements - Creditors : Amounts falling due after more than one year - Total unsecured loans	Long-term debt - for long term purposes pre-implementation	-	93,112	-	98,405
	Not applicable	Long-term debt - for long term purposes post-implementation	-	-	-	-
	Not applicable	Line of Credit for Construction in process	-	-	-	-
	Not applicable	Lease right-of-use asset liability	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

34 Financial Responsibility Supplemental Schedule Audit Requirement (continued)

Primary Reserve Ratio (continued)

Page	Expendable Net Assets (continued)		2023		2022	
			£'000	£'000	£'000	£'000
	Not applicable	Pre-implementation right-of-use leases	-	-	-	-
	Not applicable	Post-implementation right-of-use leases	-	-	-	-
	Not applicable	Annuities with donor restrictions	-	-	-	-
	Not applicable	Term endowments with donor restrictions	-	-	-	-
	Not applicable	Life income funds with donor restrictions	-	-	-	-
49	Statement of Financial Position - Income and expenditure reserve - endowment reserve, restricted reserve	Net assets with donor restrictions: restricted in perpetuity	-	66,178	-	66,514
Total Expenses and Losses						
48	Statement of Comprehensive Income and Expenditure - Total expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities	-	348,654	-	388,391
48	Statement of Comprehensive Income and Expenditure - Investment Income, Loss on investments, Actuarial gain in respect of pension schemes	Non-Operating and Net Investment (loss)	-	(23,356)	-	(125,039)
48	Statement of Comprehensive Income and Expenditure - Investment income, Loss on Investments	Net investment losses	-	(1,441)	-	(107)
	Not applicable	Pension-related changes other than net periodic costs	-	-	-	-

Equity Ratio

Modified Net Assets						
49	Statement of Financial Position - Income and expenditure reserve - unrestricted	Net assets without donor restrictions	-	333,956	-	297,097
49	Statement of Financial Position - Income and expenditure reserve - endowment reserve, restricted reserve	Net assets with donor restrictions	-	66,178	-	66,514
		Intangible assets	-	-	-	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Secured and Unsecured related party receivable	738	-	1,556	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Unsecured related party receivable	-	738	-	1,556
Modified Assets						
49	Statement of Financial Position - Total Non-current assets, Total current assets	Total Assets	-	686,114	-	664,597
	Not applicable	Lease right-of-use asset pre-implementation	-	-	-	-
	Not applicable	Pre-implementation right-of-use leases	-	-	-	-
	Not applicable	Intangible assets	-	-	-	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Secured and Unsecured related party receivable	738	-	1,556	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Unsecured related party receivable	-	738	-	1,556

Net Income Ratio

Net Income Ratio						
48	Statement of Comprehensive Income and Expenditure - Unrestricted comprehensive income for the year	Change in Net Assets Without Donor Restrictions	-	48,907	-	71,929
48	Statement of Comprehensive Income and Expenditure - Total Income (less Investment income plus Gain on disposal of fixed assets)	Total Revenue and Gains	-	374,172	-	336,261

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2023

34 Financial Responsibility Supplemental Schedule Audit Requirement (continued)

Appendix A Note for Property Plant and Equipment

	2023 £'000	2022 £'000
Pre-implementation Property, Plant and Equipment	385,496	405,657
Construction in progress	11,391	8,698
Post Implementation Property, Plant and Equipment:		
Freehold Land and Buildings	36,555	30,228
Leasehold Improvements	-	-
Service concession Land and Buildings	-	-
Fixtures, Fittings, Plant and Machinery	42,660	24,244
Total Property, Plant and Equipment	476,102	468,827
As per the Statement of Financial Position:		
Fixed Assets	474,937	467,662
Heritage Assets	1,165	1,165
	476,102	468,827

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