



**University of
Central Lancashire**
UCLan



Financial Statements

For the year ended 31 July 2023

**Where opportunity
creates success**

Report and financial statements

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Legal and Administrative Details

Members of the Board

D Taylor (resigned 31 October 2023)	S Ion
F Armstrong (resigned 31 July 2023)	L Lloyd
G Baldwin	R Lowry
R Odjegba (resigned 30 June 2023)	A McCarthy
L Fitzgerald (from 1 July 2023)	L Norris
N Danino (resigned 2 February 2023)	M Tynan (from 1 September 2022)
R Gurjee	L Smith (from 1 September 2022)
R Hext	J Baldwin (from 1 September 2022)

Professional Advisers

Auditor - external:	KPMG LLP
Auditor - internal:	RSM Risk Assurance Services LLP
Tax adviser:	Grant Thornton
Banker:	Lloyds Bank plc
Insurance broker:	AON Limited
Solicitor:	Shakespeare Martineau LLP

Introduction

The academic year got off to a start, with a real buzz generated by our new and returning students. For the first time since the COVID-19 pandemic, the campus felt back to normal, with activity at pre-lockdown levels. Students returned to a newly designed Welcome Week and a range of course related and extra-curricular activity. The new School welcome sessions were a particular success.

We once again recognised the celebration of student success at our Graduation ceremonies and by hosting the Vice-Chancellor's Dinner where we welcomed over 120 guests. During the evening we acknowledged the awards of Honorary Doctorates and Honorary Fellowships and celebrated the work of the University.

Once again the year was a great success with a number of significant highlights. The University's accomplishments are a testament to our unwavering commitment to providing students with a high quality student experience. Our Teaching Excellence Framework (TEF) Silver rating underscores our dedication to delivering high quality teaching and learning outcomes. This excellent achievement across a very large and complex organisation of circa 35,000 students reflects the dedication of our staff to ensuring that all our students receive an excellent education and wider experience.

The National Student Survey (NSS) scores for the academic year 2022/23 further reaffirmed our commitment to providing an outstanding student experience. Our overall positivity score ranked 3rd in the North West and 34th in the UK (Times Higher Education ranking for institutions with more than 1,000 responses). We have striven to improve our NSS scores over a number of years and this was just reward for the hard work and dedication of all colleagues.

Another highlight of the year was being honoured with the prestigious "University of the Year" award by Edufuturists. Recognising innovation and progressive practices across the educational sector, Edufuturists champion individuals and educational institutions who work to ignite change and transform learning for the benefit of society and future generations. We were recognised for a number of outstanding research contributions.



Introduction (continued)

On the theme of research, highlights through the year included work with the Fire Brigades Union on fire and toxicity, the discovery of a supernova, discovery of the earliest human remains in Britain and a breakthrough study revealing a new diagnosis for Alzheimer's disease. We also launched a regional sub-office of the United Nations Office for Outer Space Affairs, the only facility of its kind in the UK. Our research centres and projects across other academic domains continue to also make significant strides. Our research exemplifies our dedication to creating a positive impact on society and delivering real impact to benefit the communities in which we operate. By addressing complex global challenges, we strive to make a meaningful difference in the world.

To support our successful academic activity we undertook a thorough review and reorganisation of our academic structure. We moved from 6 faculties to 10 new schools all headed by a new Dean of School with a senior school team made up of Associate Deans and Deputy Associate Deans. The new structure will better enable cross-institutional working and provide greater agility, flexibility and responsiveness. The changes came into being on 1st August 2023 and are critical to ensuring the University is best positioned to deal with the challenges the university sector will face in

years to come. Considerable uncertainty continues to exist across a range of areas, with a relatively imminent general election, significant financial pressures, on-going cost increases and challenges with recruitment in certain subject areas and within specific groups. It is noticeable that there was a reduction in applications from mature students, particularly on part-time programmes. The University consequently continues to work towards driving greater efficiencies and reducing costs.

Because of the uncertainties we have once again tried to diversify income, exploring further partnership activities both at home and internationally. Additionally, we have seen substantial growth in our Degree Apprenticeship programmes. This expansion reflects our commitment to meeting the evolving needs of students and employers. By offering a broader range of Degree Apprenticeships, we are not only contributing to the development of a highly skilled workforce but also providing accessible and practical higher education opportunities. We continued to invest in our estate and make progress regarding our ambitions to achieve Net Zero. We commenced work on the construction of the new school building for veterinary medicine and we purchased the Summergrove Halls accommodation in West Cumbria to support the growing provision in medicine. We received a full campus report and condition survey and are prioritising maintenance accordingly.

All the achievements were delivered within the budget set for 2022/2023. The agreed deficit budget was cash generative and again reflected responsible financial stewardship. This allows us to continue to invest in our academic mission, including innovative projects that contribute to our long-term sustainability.

In conclusion, UCLan remains steadfast in its dedication to excellence in education, research and knowledge exchange. Our achievements in 2022/2023 all serve as a testament to our commitment to students, staff and the broader academic community.



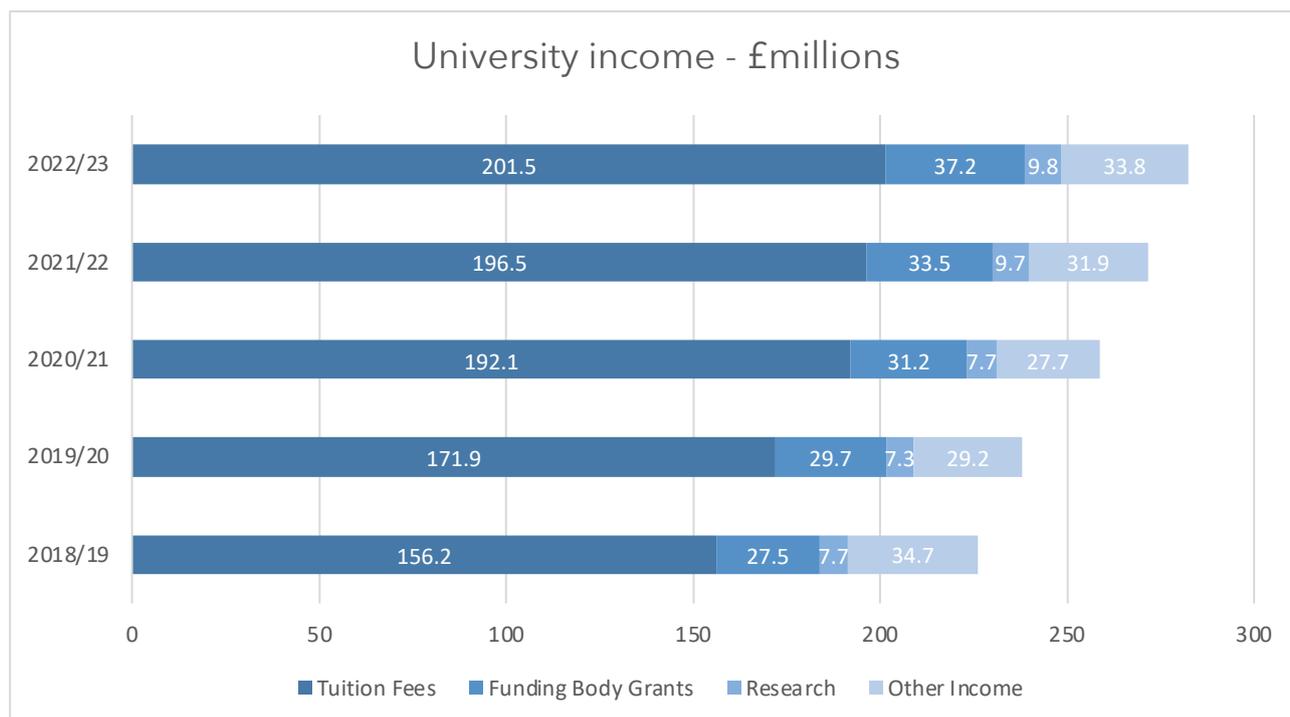
Dame Sue Ion
Pro-Chancellor and
Chair of the Board

Graham Baldwin
Vice-Chancellor

Operating and Financial Review

UCLan has maintained strong financial performance during the year ended 31 July 2023, generating cash from operating activities of £2.9m (2022: £36.7m), representing 1.0% (2022: 13.2%) of income. Following two years of surpluses the University returned to a planned deficit of £6.4m (2022: £0.8m surplus). The small deficit also includes £4.7m of restructuring costs as the University ensures that its structure remains fit for purpose in a changing sector facing significant financial challenges.

Income



Tuition fees remain the most significant income stream for the University, accounting for 70.5% of all income. Overall tuition fee income has increased by £5.0m for the year and was £201.5m (2022: £196.5m). UK student fee income reduced by £9.9m to £117.7m (2022: £127.6m). The University has experienced falling income from UK students in recent years due to small reductions in student numbers compounded by no increases to tuition fees, but has been able to mitigate this by expanding recruitment of students internationally, increasing fee income from students resident overseas by 21.7% (£14.4m) year-on-year and this is the main driver for the slight increase overall in tuition fee income.

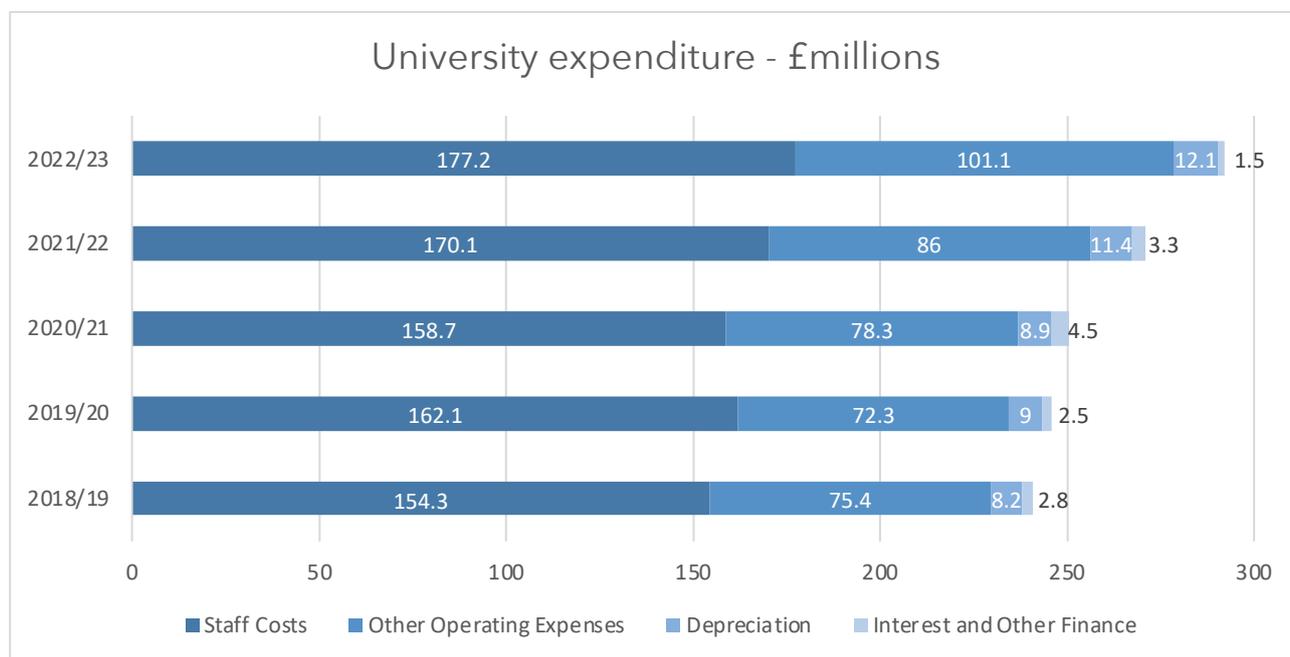
Recurring grant income from the Office for Students grew by £0.6m (3.9%) and apprenticeship income grew by £1.5m (18.9%).

Research grants and contracts, including grants from Research England, are £17.3m, up by £2.0m compared to 2022, continuing the growth that has been seen in this area in recent years. The University's excellent REF results, where all 19 academic areas submitted to REF were officially recognised as demonstrating elements of world-leading and internationally excellent research and will help this growth to continue over future years.

Other income grew by £2.4m returning to the pre-pandemic levels. Investment income grew by £3.2m reflecting the increase in interest rates on the significant cash and investment balances the University has at 31 July 2023 which were £125.1m (2022: £137.9m).

Operating and Financial Review (continued)

Expenditure



Total expenditure increased by £21.2m on last year. £7.1m of this was in staff costs, £15.1m in other operating expenses and £0.7m in depreciation costs. Interest and finance costs reduced by £1.7m due to a reduction on the net charge on the LGPS pension of £2.1m partially offset by an increase in loan interest due to a full year's charge for the £30m income strip funding that was drawn down in December 2021.

Within staff costs the salary costs were £137.4m (2022 £121.2m). Pension costs reduced by £9.4m to £26.2m; £7.1m of this was due to a reduction in service costs relating to the Local Government Pension Scheme driven by an increase in the associated discount factor and a £3.8m reduction in Universities Superannuation Scheme costs, partially offset by increased employer contributions paid. Restructuring costs were £4.7m compared to £1.2m in the prior year. Overall staff costs were 62.0% of income (2022: 62.6%) Staff numbers rose by 144 to 3169 with 134 additional staff in academic or academic support roles at the end of the year.

The main factor in the increase to operating expenses of £15.1m has been increased utilities costs of £3.6m. The University has a range of energy reduction initiatives underway and is also changing the way in which it purchases energy, moving to a long-term hedging approach that will provide price stability and budget certainty going forward.

Student bursaries and expenses rose by £3.5m to £11.2m due to increases in student eligibility and additional elements of bursary funding available. International student recruitment costs also rose significantly by £2.8m to £12.2m which, given the increase in international student fees, is not unexpected. Costs were 15.4% of international student income, compared to 14.9% in the prior year.

Depreciation costs increased primarily because of the continued investment in the UCLan Estate Masterplan as well as ongoing investments in training equipment and IT infrastructure. Total capital expenditure was £17.0m, £14.0m in fixed assets and £3.0m in intangible assets.

Operating and Financial Review (continued)

Going concern

The higher education sector continues to face significant challenges arising from changes and uncertainty in the external environment following the pandemic, volatility in the domestic economy and global energy and supply challenges exacerbated by the conflict in Ukraine. The University continues to work on ensuring that its provision is aligned to the needs of students and employers, that it attracts and retains excellent employees and operates in a sustainable manner. The University published its strategic plan that runs from 2021-2028 during the year and it is underpinned by six key priorities that add assurance to the going concern assessment. These are:

1. Student opportunity and success
2. Leading the way in modern learning
3. Our people experience
4. Real-world research and innovation
5. Our place in the world
6. Future-proofing our University

Sound financial management is a key part of Priority 6 and the financial results showing continued cash generation demonstrate this.

The University carries out detailed analysis and scenario planning to provide assurance in the ability of the University to continue to operate as a going concern through an in-depth 2023/24 budget cycle, monthly management accounting reports and a quarterly forecasting cycle. The University also produces a detailed long-term financial model that is scenario tested and includes a monthly cash flow forecast. UCLan has significant cash reserves meaning that, if required, the significant downside scenarios tested would be withstood with balances remaining above the minimum levels agreed by the Board. The budget for 2023/24 anticipates a small deficit will be incurred, however, the University continues to generate an operating cash surplus during the year.

Statement of Public Benefit

The University of Central Lancashire (UCLan) is an exempt charity under the terms of the Charities Act 2011. The Board of Governors is aware of its responsibilities as a charity to act for the public benefit across all of its activities and has had due regard to the latest version of the Charity Commission's public benefit guidance and that provided by the Office for Students Regulatory Framework for Higher Education in England.

As a Higher Education Corporation (HEC), the University's objects are inferred from the powers of a Higher Education Corporation, as set out in section 124 of the Education Reform Act 1988 and Part II of the Further and Higher Education Act 1992. The University's charitable objects are to provide higher education and carry out research and knowledge exchange. These are embodied within the University's Strategic Plan 2021-2028.

Our mission is to create positive change in our students, staff, business partners and wider communities, enabling them to develop their full potential by providing excellent higher education, innovation and research. We achieve this through our six strategic priorities:

- **Student opportunity and success:** We will enable our students to seize every opportunity to flourish in education, at work, and for life.
- **Leading the way in modern learning:** Learning and teaching is at the heart of our mission to transform lives and enable people to achieve their full potential. We combine academic excellence with real-world teaching, giving our students the skills and experience that industry needs.
- **Our people experience:** We will continue to attract and retain the very best talent and enable everyone to do their best work.
- **Real-world research and innovation:** We will establish ourselves as a leader in research, innovation and enterprise within the modern university sector.
- **Our place in the world:** We will be recognised as a leading civic university; an anchor institution with a multi-campus presence. We will enrich the cultural lives of our communities, promote social progress and support the economic development of our local areas, regions and the wider North West.
- **Future-proofing our University:** We will become the exemplar in UK higher education for our regional championing of environmental awareness. Our unwavering commitment to sustainability, health and wellbeing will become the benchmark for the UK university community.

Statement of Public Benefit (continued)

Where opportunity creates success

The University of Central Lancashire is an international, multi-campus university that's proud to be leading the way in modern learning. Innovative by nature, we combine academic excellence with real-world learning experiences to ensure that students graduate with skills and experience that will make them highly employable in today's globalised economy. Throughout our history we have always championed social mobility and we have a proud record of helping people to seize every opportunity to flourish in education, at work and for life. We engage with under-represented groups to ensure that those with the potential to succeed in higher education are given the opportunities they need to excel. Our courses are shaped by the needs of industry and taught by leading academics who are active researchers and experts in their fields.

The University continues to be ranked amongst the top 7% of universities worldwide by the Center for World University Rankings (2023) and our commitment to excellence is also underlined by our accolades in the international QS Stars 2022 rating system. The University achieved a top 5 QS Stars (Excellent) rating in the key categories of teaching, employability, internationalisation, facilities and inclusiveness. Dentistry, the University's specialist programme, scored 4 QS Stars (Very Good), with 3 QS Stars (Good) awarded in the research and innovation categories. Overall, the University was rated 4 Stars (Very Good), a huge achievement.

In May 2023, UCLan was crowned 'University of the Year' at the international Edufuturists Awards. Edufuturists champion innovation and educational institutions who work to ignite change and transform learning for the benefit of society and future generations. We were recognised for a number of outstanding research contributions, including extensive research within the areas of health and social care. This included a partnership with the Lancashire and South Cumbria Motor Neurone Disease (MND) Care and Research Centre to help families access better support once they have lost loved ones to MND and an exploration of how best to understand and support those living with dementia. The University's

extensive support of businesses - including leading on apprenticeships, creating the Beyond Business marketing campaign to attract business students from non-traditional backgrounds, and working with hundreds of small and medium-sized enterprises (SMEs) in the North West - also contributed towards our 'University of the Year' title.



Beyond Business brochure cover.

Our commitment to providing all students with an exceptional experience is stronger than ever, and it appears that students strongly agree with this: UCLan was ranked third in the North West for 'Student Positivity' in the National Student Survey 2023. Over 2022/23 we stepped up our already extensive support services to help students through the national cost of living crisis. A comprehensive package of practical support, attractive benefits and financial advice was put in place and an online 'cost of living hub' was set up to advise and support current and prospective students. In 2022/23 we contributed over £10 million in scholarships and bursaries to support students during these difficult times.

Statement of Public Benefit (continued)

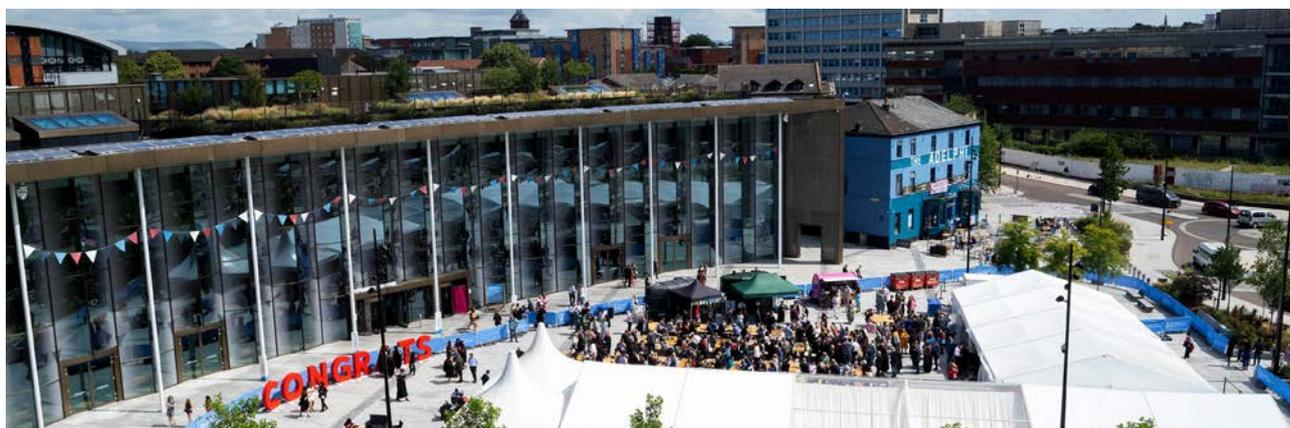
Investing in student success and local regeneration

The University's £200 million Campus Masterplan, which was completed in 2021, has brought sustained benefits to the student experience and the wider Preston community, making a positive contribution to the city's ongoing regeneration. At the heart of the revitalised Preston Campus is the £60 million Student Centre, which brings our second-to-none support services together under one roof, creating a vibrant hub where students can get expert advice on everything from finance to accommodation, career planning, disability support and mental health. In June 2022, UCLan was ranked third in the UK for mental health support in the first ever University Mental Health League Table by HUMEN following a survey of more than 7,200 students across 80 universities. Every aspect of the Student Centre was designed to support students' wellbeing - from bright modern spaces for socialising and study, to a tranquil rooftop garden. We have recently consolidated our extensive support provision into a new Student Achievement Services team, which will further enable us to support students' academic and personal development.

The Student Centre looks out over University Square, a vibrant new hub created as part of our Masterplan project which has completely transformed Preston's Adelphi Quarter, forming an impressive gateway between the campus and the city. It is one of the largest public realm projects to have been completed in England for many years and a significant contribution to Preston's ongoing regeneration.

In May 2023 the Student Centre and University Square won a Regional Award at the Royal Institute of British Architects (RIBA) North West Awards 2023. RIBA said: "[The designer] Hawkins\Brown has created an innovative and welcoming campus entrance which firmly establishes the University within Preston city centre." Further acclaim followed in July 2023 when the developments were awarded with a prestigious Royal Town Planning Institute (RTPI) North West Award in the 'Planning for a Successful Economy' category. Judges praised their "striking" architecture and their success at having "helped to re-pivot the city centre."

In September 2022, January 2023 and September 2023 we welcomed thousands of new students to our Preston Campus. University Square was the focal point for our Welcome Week events programmes, which included numerous social activities, information sessions and activity stalls. The Square is now the focus for our twice-yearly Graduation celebrations and regularly plays host to cultural festivals and street markets for the whole Preston community to enjoy. It has staged numerous events inside the Mobile Event Tent (MET), a new ephemeral space for 'pop-up' events which was co-designed by the University's Professor Charles Quick. Over 2022/23 the MET has hosted arts and crafts activities for families and children as well as several cultural events during the Lancashire Encounter Festival in September 2022 and 2023. These included 'Preston Pledge', run by UCLan historians, which explored the history of the Preston-formed temperance movement and 'Making Yourself at Home in a New Place', which saw UCLan archaeologist Dr Rick Peterson explore stories of people, migration and objects in the North West from 11,000-6,000 years ago.



Graduation celebrations on the University Square.

Statement of Public Benefit (continued)

In December 2022 and July 2023 there was a celebratory atmosphere on campus as we hosted our Graduation ceremonies, where over 6,000 students graduated across 23 ceremonies in front of more than 20,000 invited guests. 2022/23 saw the conferment of several new honorary graduates:

- Ron Atkins, former MP for Preston North in the 1960s and '70s (awarded posthumously for his significant contribution to public service and the development of UCLan).
- Peter Burdin, former BBC journalist (for his significant contribution to journalism and the mentoring and training of journalists).
- Mick Cartledge, former Chief Executive of Burnley Council (for his significant contribution to local government in east Lancashire).
- Melissa Conlon, Commercial Director at AMRC North West (for her significant contribution across the advanced manufacturing and information technology sectors).
- Victoria Derbyshire, television presenter and journalist (for her significant contribution to broadcasting and journalism).
- Amanda Elwen, founder of the Emily Davison Centre in Accrington (for her significant contribution to the development and management of domestic abuse services in Lancashire).
- Ann Harrison, music lawyer and author (for her significant contribution to the development of music law education).
- Zuber Issa CBE, co-founder of the global Eurogarages group (for his significant contribution to business and charity in the North West).
- Kim Kothia (for his significant contribution across the advanced manufacturing and information technology sectors).
- Enna Park, diplomat (for her significant contribution to diplomacy and the development of Korean studies internationally).
- Peter Purves, former children's television presenter (for services to television, acting and presenting). In 2019 Peter was involved in an award-winning UCLan project which saw students remake a lost episode of the BBC's Doctor Who.

The remarkable achievements of our graduates continue to inspire us. Amongst those who attended our recent ceremonies were Kevin Brockbank (who completed his degree in multimedia journalism after recovering from a heart transplant), aspiring doctor Holly Buck (an MBBS student who was named Student Doctor of the Year by the Royal College of General Practitioners (PCGP) and PhD student Riza Alker (who is taking her potentially life-changing cancer research to the USA for further development).



Vice-Chancellor Professor Graham Baldwin at a graduation ceremony.

Statement of Public Benefit (continued)

Ongoing regeneration projects on campus include the development of a new School of Veterinary Medicine building, which will open in 2024. Plans for the four-storey, 45,000 square foot building were submitted to Preston Council in August 2023. The development has been supported by a successful funding allocation of £5.8m from the Office for Students (OfS). The building will comprise anatomical skills laboratories and simulated clinical facilities, including a pharmacy, diagnostic suite, operating theatres and teaching rooms. Our new vet school, the first of its kind to open in Lancashire and only the 11th in the UK, officially welcomed its first Veterinary Medicine and Surgery (BVMS) students in September 2023. With the advent of our new vet school, the University is directly addressing the acute nationwide shortage of veterinary professionals. It also means that UCLan has the distinction of being one of only a select few universities in the UK to offer degrees in all of medicine, dentistry, biosciences, optometry and veterinary science. In July 2023 the University announced a partnership with Myerscough College and University Centre which will see veterinary students undertaking hands-on training within the college's OFSTED approved animal facilities. The institutions will also collaborate on future research.

The expansion of our Burnley Campus in east Lancashire continues with the redevelopment of the derelict Newtown Mill site in the historic

Weavers' Triangle area. The transformation of the site (purchased in early 2022 and set to open in 2024) will lead to cutting-edge teaching facilities, new public spaces and a business and enterprise zone. It will mark a further step forward in our plans to transform Burnley into a thriving town, creating new educational opportunities for local people and training a new generation of key workers in vital areas such as medicine, health, nursing, policing and social work. It follows the development of the nearby Sandygate Mill site in 2021 which created a new campus library and Students' Union space. The expansion of the UCLan Burnley Campus forms part of Burnley's Levelling Up Fund programme and is supported by key partners including Burnley Council, Antony Higginbotham MP and Burnley Bondholders.

Other recent investments in improving the student experience include the purchase of the Summergrove Halls accommodation close to our Westlakes Campus in Cumbria. Westlakes delivers innovative and vocational courses in medicine and nursing, and is home to the National Centre for Remote and Rural Medicine (NCRRM), which helps train clinicians in all aspects of medicine relating to living and working in remote and rural environments. Summergrove Halls is ideally located within walking distance of both the campus and West Cumberland Hospital, where many students spend time on placements.



The first Veterinary Medicine and Surgery (BVMS) cohort. [Read the full story.](#)

Statement of Public Benefit (continued)

Widespread acclaim

In recent months, the University's continued commitment to transforming lives through innovative teaching and research has led to regional, national and international acclaim.

The 'University of the Year' accolade from Edufuturists closely followed our double triumph at the Educate North Awards in May 2023, where we won the 'Best Entrepreneurial University' award and the 'Employer Engagement Award - University Sector' for our Trainee Associate Psychological Practitioner (TAPP) initiative. TAPP is a ground-breaking collaboration between UCLan's Psychology team, the Innovation Agency, NHS partners and Health Education England designed to address the national shortage of mental health staff, with the TAPPs providing psychological interventions and support to patients and community groups. It involves the delivery of a UCLan Postgraduate Diploma Associate Psychological Practitioner programme combined with workplace learning in clinical service. The TAPP project has seen more than 130 psychology graduates moving into the mental health workforce in the past two years, benefiting more than 1,000 patients to date. It has been so successful that TAPP is now being expanded into

the Greater Manchester area. The project also triumphed at the North West Coast Research and Innovation Awards 2023, winning the 'Innovation in Workforce Development Award'.

Further acclaim came in September 2023 when the University was shortlisted in three categories at the Times Higher Education (THE) Awards, widely regarded as the 'Oscars of higher education'. The first nomination was in the Research Project of the Year (Arts, Humanities and Social Sciences) category for our Dance and Parkinson's project, which integrates community engagement, student teaching and research. The project delivered weekly classes designed to help participants with mobility, balance and movement confidence. The strength of the project lies in the mutual benefits of partnerships between people living with Parkinson's and undergraduate dance students.

The second nomination was in the Widening Participation or Outreach Initiative of the Year category for the Into Our Skies: Space in Schools project, a collaboration between dance artists, scientists and educators which takes a cross-curricular approach to teaching science through dance. The six-week scheme uses movements and dance as a tool for primary school pupils aged 9 to 11 years to explore concepts of Earth and Space.



Educate Awards 2023, Best Entrepreneurial University winners (Credit: ER Photography). [Read the full story.](#)

Statement of Public Benefit (continued)

The third nomination was for Outstanding Contribution to Equality, Diversity and Inclusion for our Creative Mental Health Framework (CMHF) initiative, which was delivered by students, for students and harnessed creativity to raise the profile and reduce barriers and stigma around mental health and the LGBTQ+ community. The CMHF partnered with Tate Liverpool, Growing Resilience, Lancashire Mind and Lancashire LGBT. The THE Awards received over 650 entries across 19 categories. Our success in gaining three nominations in 2023 follows the record-equalling five nominations we received in 2022.

Our continued efforts to promote science through community outreach projects led to our Jeremiah Horrocks Institute for Mathematics, Physics and Astronomy winning the Departmental Culture Change Award at the inaugural Ogden Outreach Awards, held at the Royal Society in August 2022. The awards celebrate physics outreach. The University was recognised for various projects, including the aforementioned Into Our Skies: Space in Schools scheme, established by UCLan astronomer Dr Joanne Pledger, which engaged with children in Years 5 and 6, and Dr Megan Argo's virtual tours of the night sky, delivered to more than 1,200 Girl Guides during the COVID pandemic.



Celebrating our colleagues' achievements

Over the past year many of our colleagues have been individually recognised on the national and international stage for their outstanding contributions to academia and public life, making headlines and winning widespread acclaim:

- In September 2022, Dr Clive Palmer, a senior lecturer in the School of Sport and Health Sciences, was appointed as a Principal Fellow of the Higher Education Academy (PFHEA) after being chosen by an international review panel. He became the seventh UCLan academic to receive the award. It recognises his leadership at a strategic level to promote learning through postgraduate research and widen participation in teaching and learning at doctoral level.
- In December 2022, animal husbandry lecturer Dr Dey Tarusikirwa won the Young Development Agriculturalist Award from the Tropical Agriculture Association (TAA) for his research into the reproductive health of farm animals in Zimbabwe and its potential application to the livelihoods of smallholder farmers.
- In March 2023, David Taylor CBE DL, Pro-Chancellor and Chair of the University Board of Governors, was announced as the new High Sheriff of Lancashire. The role dates back over 1,000 years and is held for one year. David will serve as King Charles' representative in the country for all matters relating to the judiciary and the maintenance of law and order. David, a successful businessman who has overseen numerous urban regeneration projects across the public, private and voluntary sectors, will undertake various public duties as well as supporting the voluntary sector and statutory organisations who work in Lancashire.

David Taylor CBE DL, Pro-Chancellor and Chair of the University Board of Governors becomes High Sheriff of Lancashire.

[Read the full story.](#)

Statement of Public Benefit (continued)

- In May 2023, it was announced that Professor Derek Ward-Thompson had been selected as a Councillor of the prestigious Royal Astronomical Society, which will involve advising the government on astronomy related matters. He will be part of a 12-strong team responsible for overseeing the running of the RAS. Professor Ward-Thompson was part of the international Event Horizon Telescope Consortium which published the first ever image of a black hole in 2019, making headlines across the world.
- In May 2023, astrophysicist Dr Joanne Pledger from the University's Jeremiah Horrocks Institute for Mathematics, Physics and Astronomy made headlines when her research helped to identify the star at the origin of a recently detected supernova. Her previous data analysis of the Pinwheel Galaxy, made during a spell working as a postdoctoral researcher in New York in 2010, enabled her to identify the supernova's progenitor star.



Dr Joanne Pledger. [Read the full story.](#)

- Lord Wajid Khan, senior lecturer and course leader on the University's MA Community Leadership, has the distinction of being the youngest opposition life peer in the House of Lords. In early 2023 he was recognised with an international award, receiving the University of Gujrat's first ever honorary doctorate. Lord Khan, a former mayor of Burnley, has worked on projects designed to empower South Asian female students to re-engage with higher education. A memorandum of understanding between the University of Gujrat and UCLan has led to regular exchange visits. Lord Khan has previously been awarded the Sitara-I-Qaide Azam Award by the President of Pakistan for his work on international human rights and he is a Fellow of the Higher Education Academy.

- Ahmed Onsy, Professor of Mechatronics and Intelligent Systems Engineering and Associate Dean of the School of Engineering and Computing for Business Development and Partnerships, won the Male Entrepreneurial Leader of the Year prize at the 2023 Accreditation Council for Entrepreneurial and Engaged Universities (ACEEU) at the European Triple E Awards in Barcelona. Onsy was recognised for his diamond leadership model, which combines visionary and coaching approaches to support young people and leaders. It follows his success at the 2022 awards, where Professor Onsy won the People's Choice Award for Male Entrepreneurial Leader of the Year.
- In May 2023, Anna Stec, Professor of Fire Toxicity, was awarded the Solidarity Medal by the Fire Brigades Union for the independent research she undertook which linked to the FBU's campaign to help firefighters protect themselves from exposure to harmful contaminants in their work. Since 2019, Professor Stec and her team have investigated heightened instances of cancer and other diseases experienced by UK firefighters as well as the long-term health effects of fire contaminants.



Professor Anna Stec receiving her award.

[Read the full story.](#)

- In May 2023, Stephen Andrews, Senior Lecturer in Forensic Fire Investigation, was chosen as the inaugural recipient of the John DeHann Award from the United Kingdom Association of Fire Investigators (UK-AFI). The award recognises his dedication to teaching hundreds of UK and international fire officers, forensic scientists, insurance investigators and forensic science graduates for the past 20 years. Andrews, the assessor for the Chartered Society of Forensic Scientists, continues to work independently as an expert witness in forensic fire investigations.

Statement of Public Benefit (continued)

Key developments and partnerships

There have been several exciting developments involving the University and our partners in recent months. Plans are progressing to establish Lancashire as a leader in cyber and security-related capabilities following the announcement in October 2021 that UCLan will be a significant partner in the Government's new National Cyber Force (NSF) in Samlesbury, Preston. The move will bring unprecedented opportunities for the region, including highly-skilled jobs in the tech industry. The University will be working alongside Lancashire County Council, the Lancashire Enterprise Partnership (LEP), Lancaster University and BAE Systems. We are working to develop educational opportunities that will lead our graduates into successful careers in the world of cybersecurity. It's expected that many of them will seek employment in the burgeoning North West Cyber Corridor from Manchester to Lancashire and beyond as it develops. The timing is ideal for our first cohort of cybersecurity graduates, who left the University in July 2022.

In May 2023 it was announced that UCLan has been chosen as the UK's only base for a United Nations programme that uses space-based technology to prevent and mitigate against climate disasters. The Regional Support Office (RSO) for the UN Office for Outer Space Affairs (UNOOSA) is responsible for promoting international co-operation in the peaceful uses of outer space. UCLan researchers will be working with the UN's team for Space-based Information for Disaster Management and Emergency Response (UN-SPIDER) to help developing countries address natural hazards by having access to space-based technologies.



UN-SPIDER launch. [Read the full story.](#)

In May 2023 the Lancashire in Space Partnership was announced, with UCLan collaborating with the government, industry bodies and other higher education institutions to play a vital role in driving forward innovation and skills development which will grow the regional space economy. The project will directly support the national space economy and the North West Space Cluster. Many of the county's businesses and research institutes have capabilities and technologies that could be diversified into both the civil and defence space sectors, opening up new markets for Lancashire businesses.

On the international stage, we have recently launched several new initiatives in conjunction with our 120+ global partners. In October 2022 we announced that our flagship Journalism Innovation and Leadership (JIL) programme, supported by the Google News Initiative (GNI), will be expanding into Sub-Saharan Africa following a successful two-year run in the UK. The JIL offers a 30-week, part-time postgraduate MA / PGCert course designed to foster the next generation of diverse news media leaders. Back in the UK, the Google News Initiative has expanded its support of our JIL programme for the fourth consecutive year. Since its launch in 2020, 60 media professionals from 12 different countries have completed the programme in Preston.

A joint research and development project with Beijing College of Finance and Commerce (BCFC) in China is expected to lead to the introduction of British vocational Degree Apprenticeships into the Chinese higher education system. The development coincides with the 30th anniversary of our successful partnership with Guangdong University of Foreign Studies in China. UCLan was one of the first foreign universities to set up international co-operation in China after the country's Reform and Opening Up policy. Over the last three decades, more than 2,000 students have progressed from GDUPS, which is based in Guangzhou in South China, to obtain their undergraduate degrees at UCLan.

Statement of Public Benefit (continued)

Leading the way in modern learning

The University continues to innovate in all aspects of teaching and learning, creating new opportunities for people across our communities to transform their lives and careers.

From August 2023 we have been operating with a realigned academic structure, having transitioned from six faculties and 16 schools to 10 new academic schools, with our faculties being disestablished. This places senior managers closer to the point of delivery. Each of the new schools is led by a Dean who assumes full accountability for its operation, supported by a number of Associate Deans and reporting directly to the Vice-Chancellor's Group. The move will drive further improvements to the student experience and graduate outcomes. Students continue to benefit from our Curriculum Framework, implemented in 2020, which ensures that every course across our portfolio offers all students the same breadth and quality of skills development and opportunities in terms of employability skills, work experience, digital literacy, extracurricular activities and more.

The following examples from recent months highlight our commitment to upskilling the communities we serve and enabling people to develop industry-ready skills through real-world learning experiences:

- In July 2022 more than 100 new officers became the first to graduate from the University's innovative Degree Holder Entry Programme (DHEP) for aspiring police officers. The graduates will take up roles in the Lancashire and Cumbria police forces. The DHEP is designed to allow those with bachelor's degrees to train to become police officers. It's one of three new entry routes into policing in line with the new Police Education Qualifications Framework (PEQF).
- In August 2022 Lancashire County Council's first social work degree apprentices graduated from the University after spending three years working for the Council and studying one day a week at UCLan on the first course of its kind to be offered by an English university. The programme was designed in partnership with social work employers, service users and carers

to upskill homegrown talent. It has seen staff from Lancashire County Council, Blackburn with Darwen Council, Blackpool Council, Cumbria County Council, Liverpool Metropolitan Borough Council, Mersey Care NHS Foundation Trust, Warrington Council and several third sector organisations sign up to develop their skills. They will go on to support children, families, individuals with disabilities, those with mental health issues and many others across the North West.

- In February 2023 it was announced that former footballer Clarke Carlisle, who has struggled with his mental health throughout his life, will be working with UCLan to create a new academic Collaborative Health and Mind Programme (CHAMPS) for mental health advocates.
- Launched in March 2023, the Beyond Business recruitment campaign (a collaboration with creative agency Wash Studio) seeks to establish the University's School of Business as an alternative to traditional, corporate business schools, focusing on pushing boundaries, harnessing creativity and benefiting wider society rather than boardrooms and balance sheets. The campaign contributed to our 'University of the Year' win at the Edufuturists Awards.
- In June 2023 the General Optical Council (GOC) announced that UCLan and another institution will be the first to deliver ophthalmic dispensing undergraduate qualifications under the GOC's new education and training requirements. From September 2023 we will be offering accelerated two-year BSc Ophthalmic Dispensing degrees to the next generation of dispensing opticians.



BSc Ophthalmic Dispensing course.

Statement of Public Benefit (continued)

- Engineering and physics students have sent a high altitude balloon into near space. The final year group organised every aspect, from obtaining flight authorisations to overseeing the launch. It's one of many hands-on learning experiences students are engaged in at the University's £35 million Engineering Innovation Centre, where students get to work on live projects with our industry partners.
- Our Degree Show exhibitions, held on campus in June 2023, invited members of the public and industry guests to view the very best of the University's creative talent as final year art, architecture, design and fashion students held an exhibition of their work.

In September 2023 it was announced that the University had been awarded Silver status in the national Teaching Excellence Framework (TEF) assessment run by the Office for Students (OfS). Our TEF Silver rating means that "the student experience and outcomes are typically very high quality, and there may be some outstanding features." (TEF website). The award is a testament to our efforts to provide all our students with a transformational learning experience.



Above: Students in the Engineering Innovation Centre.

Below: Phoebe O'Gorman with her work at the 2023 Degree Show



Statement of Public Benefit (continued)

Transformational research and knowledge exchange

The University's research teams continue to push back the boundaries of knowledge, generating positive social, economic and environmental impact locally, nationally and globally. The results of the most recent Research Excellence Framework (REF 2021) assessment, which were announced in May 2022, provide confirmation of our impact. All 19 academic areas submitted to REF by UCLan were officially recognised as demonstrating elements of world-leading and internationally excellent research. In comparison to the University's previous REF submission in 2014, the results highlight a doubling of world-leading research produced by UCLan academics and a doubling of how that research has made a difference in the real world (known as impact).

The University's 16 Research Centres and three Research Institutes are hubs of world-class research which bring together expertise from across the institution and enable researchers to deliver real-world solutions and opportunities which have a demonstrable, life-changing impact on the world. There are plans to launch new Research and Knowledge Exchange (RKE) Institutes in February 2024 and these will align with the Centres.

Recent examples of research impact within the UK include:

- A team of UCLan academics led a national research project for the NHS Race and Health Observatory, supported by NHS England. Its findings (released in July 2023) showed that people with learning disabilities from Black, South Asian and minority ethnic backgrounds face shorter life expectancy triggered by poorer healthcare access, experiences and outcomes. The comprehensive five-part report, *We deserve better: ethnic minorities with a learning disability and access to healthcare*, contains data, personal interviews and analyses undertaken by UCLan in collaboration with Manchester Metropolitan University, Learning Disability England and the Race Equality Foundation. The results will be discussed as the independent NHS Race and Health Observatory launches a new recommendations report examining two decades of research looking into discriminatory barriers preventing equitable healthcare treatment.
- The University's Institute for Research into Organisations, Work and Employment (IROWE) has developed a report for the Advisory, Conciliation and Arbitration Service (ACAS) which explores the East Lancashire Hospitals NHS Trust's initiative to build on its existing internal workplace mediation service to develop a more systemic approach to early conflict resolution.
- UCLan academics seconded to the Vulnerability Knowledge and Practice Programme (VKPP) co-led an annual report from the national Domestic Homicide Project which focused on how policing can improve its response to domestic violence and domestic homicide. The Domestic Homicide Project is a Home Office funded research project led by the National Police Chief's Council (NPCC) and delivered by the VKPP in collaboration with the College of Policing.

Statement of Public Benefit (continued)

- A study co-led by Emeritus Professor Andy Bilson, published in the British Journal of Social Work in early 2023, showed that in Scotland a family's chance of being investigated for suspected child abuse varied widely between local authorities and depended on their location rather than levels of social deprivation, as might be initially expected. It showed that one in four of all children in Scotland were referred to children's social care before their fifth birthday and one in 17 were investigated for suspected abuse.
- In May 2023 the findings of research from the University's School of Nursing and Midwifery were published. Funded by the National Institute for Health and Care Research (NIHR) and leading women's health charity Wellbeing of Women, and published in the PLOS ONE journal, the report called for new national guidelines to help health professionals navigate discussions about past trauma with pregnant women. The findings raised concerns about the support available for maternity care professionals who may not feel equipped to explore challenging topics such as domestic or sexual abuse, childhood trauma and birth trauma without adequate guidelines or referral pathways.
- The ASPIRE COVID-19 study, funded by the Economic and Social Research Council and directed by Soo Downe, Professor of Midwifery Studies at UCLan, found that many women in the UK and the Netherlands who gave birth during the pandemic felt let down by a lack of support from the healthcare system as a whole. Surprisingly, however, they were more likely to cite a positive experience than women who gave birth pre-pandemic, likely due to lower expectations due to the high level of restrictions and staff who went 'above and beyond.' The study was published in PLOS ONE.
- An international team led by UCLan archaeologists has discovered the earliest human remains ever found in northern Britain. Dr Rick Peterson and a PhD student examined the human remains and artefacts unearthed in Heaning Bone Wood Cave, excavated by local archaeologist Martin Stables. They were dated at 11,000 years old, providing clear evidence of Mesolithic burials in the North - some of the earliest dates for human activity in Britain after the end of the last Ice Age.



Local archaeologist Martin Stables cleaning exhibits.
[Read the full story.](#)

- UCLan archaeologists, together with the Max Planck Institute for Evolutionary Anthropology, led the largest ever study of the early medieval population, revealing personal stories of migration, family and loss. Experts analysed DNA from more than 460 skeletons across 37 archaeological sites, employing next generation genetic sequencing. The findings were published in Nature magazine in September 2022.



Archaeologists discover polished stone balls that are 5,500 years' old in Scotland's Orkney Islands.

Statement of Public Benefit (continued)

- Charlie Frowd, Professor of Forensic Psychology, has worked with Police Scotland to help the search for a fugitive wanted for a murder 16 years ago. Frowd was involved in developing the pioneering EvoFIT system, used by police services internationally, and the technology was enlisted by officers to generate a composite digital image of the fugitive based on expected ageing and health. Professor Frowd showcased the EvoFIT technology as a guest presenter during the Royal Institution (Ri) Christmas Lecture series, the world's leading science lectures for young people, broadcast on BBC Four in December 2022.
- The University's partnership with the Lancashire and South Cumbria Motor Neurone Disease (MND) Care and Research Centre is enabling families to access better support once they have lost loved ones to the disease. The partnership was one of the acclaimed research projects that led to UCLan being crowned 'University of the Year' at the Edufuturists Awards in May 2023. Academics and students from the School of Psychology and Humanities are collaborating with Lancashire and South Cumbria MND Care and Research Centre at Lancashire Teaching Hospitals NHS Trust on the project, which is looking at the needs of informal caregivers who were bereaved at least six months ago. The study hopes to identify gaps in bereavement service provision across Lancashire and South Cumbria.
- Research led by Professor Alan Rice from the University's Institute for Black Atlantic Research (IBAR) has explored the historical connections between the earliest members of the Manchester Literary and Philosophical Society, the oldest learned society in the world, and the transatlantic slave trade in the 18th-19th centuries. Researchers investigated documentary evidence and archives spanning 1780 - 1865, highlighting the stories of those who benefited from slavery and those who stood against it, including prominent engineers, mill owners and other industrialists. The society (now called Manchester Lit & Phil) welcomed the report, which will contribute to future efforts to develop and promote inclusivity, equality and diversity across its membership and the communities it works with.
- In June 2023 the News Futures 2035 initiative, led by researchers from the University's Media Innovation Studio (MIS) and supported by the Google News Initiative, released its highly anticipated interim report. It urged all stakeholders invested in the future of public interest news in the UK to come together to address critical challenges facing the journalism profession, from artificial intelligence to social media and 'fake news'.



News Futures 2035. [Read the full story.](#)

Statement of Public Benefit (continued)

The University's world-leading research expertise has continued to make an impact on the global stage. According to the Impact Rankings 2023 published by Times Higher Education (THE) in June 2023, UCLan is ranked amongst the top 20% of institutions in the world for the positive impact it is having on society and the environment. The rankings, which rate the impact universities are making in the world against the United Nations Sustainable Development Goals, ranked UCLan in the 201-300 category out of 1,591 institutions.

Recent examples of research with global impact include:

- In January 2023, researchers from the School of Medicine and Dentistry unveiled pioneering research which revealed that Alzheimer's disease may be potentially spread from infected teeth via dental procedures. The new findings, by Dr Shalini Kanagasingham and published in the Journal of Alzheimer's Disease Reports, showed that fragments of the 'amyloid-beta' protein - which collects in the brains of those with Alzheimer's and subsequently kills nerve cells - have also been detected in infected teeth. Because oral diseases are driven by

infections, there is an abundance of amyloid-beta protein within and around the surfaces of infected teeth, and this may filter into the blood circulation and potentially be transported to the brain. In July 2023, a dementia research event at UCLan invited members of the public to learn about advancements in research and medical treatments and learn how carers, family and friends can support patients and loved ones living with dementia.

- A European-wide social exclusion project involving UCLan researchers has been commended by the European Union. The YouCount project, which explores ways to increase social inclusion for young people, received an honorary mention in the EU's inaugural Citizen Science Prize out of a total of 321 initiatives submitted for the awards, which took place in June 2023. UCLan is the UK lead on the YouCount EU Horizon 2020 funded initiative, which involves partners from nine EU countries. It looks at approaches to engaging youths who are most at risk of marginalisation in terms of poverty, migration, disability, low education, unemployment, and disenfranchisement.



The YouCount project. [Read the full story.](#)

Statement of Public Benefit (continued)



Above: A delegation of South Korean officials visited the University to learn about the Preston Model.

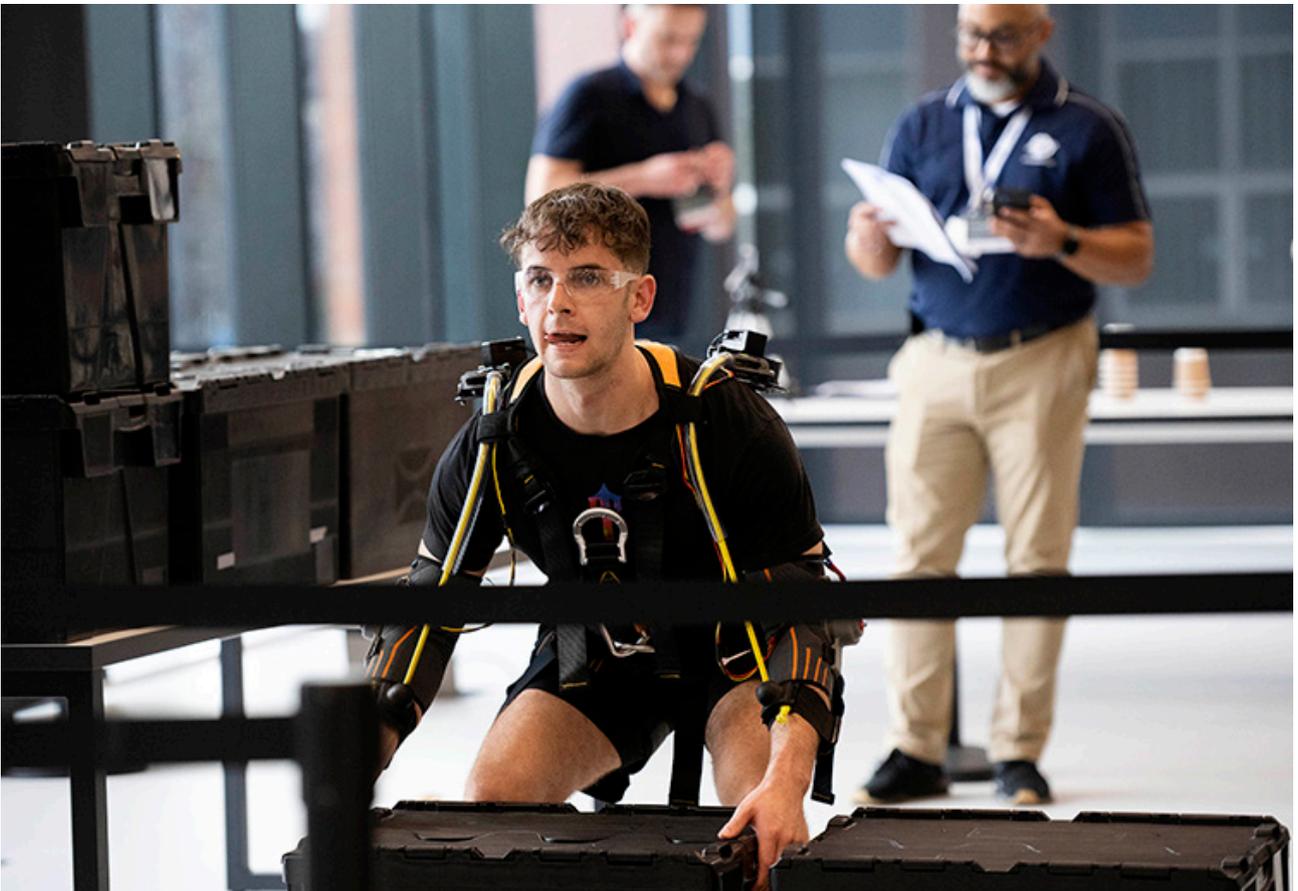
[Read the full story.](#)

Below: Professor Julian Manley (right), a leading expert in the Preston Model.

[Read the full story.](#)



- The University has been instrumental in researching and implementing the model of community wealth building known as the 'Preston Model' which has helped to drive growth and regeneration across the city in recent years. The research, led by Dr Julian Manley, advocates co-operative values and principles to retain wealth within Preston. Its success has attracted worldwide attention. In April 2023 a delegation of South Korean officials visited the University as part of a fact-finding mission to learn about the Preston Model. Those in attendance included mayors and policymakers who were exploring how the model might be implemented in international contexts, including in Korea.
- The University teamed up with ASTM International's Exo Technology Center of Excellence to create the inaugural Exo Games, which brought together six teams of engineering students from the UK, USA, Belgium, India and Brazil in a competition to design exoskeletons that were tested for stability, wearability, support and agility against ASTM international standards.



Pallet lifting at the Exo Games. [Read the full story.](#)

Statement of Public Benefit (continued)

A civic anchor institution

As a proud civic anchor institution, we continue to be an engine of the regional economy, collaborating with influencers and businesses, enabling them to access our industry knowledge, research expertise, cutting-edge facilities and student talent. We play a crucial role in promoting social mobility, raising aspirations, increasing prosperity and promoting economic growth and regeneration.

The University dedicates significant resources to local and regional priorities and as a major employer supported 4,500 FTE jobs across Lancashire, generating £220m in annual gross value added (GVA) for the North West economy through education, research and scholarship. Recent regionally-focussed projects funded by the University, our partners and the EU have supported 2,000 businesses and 2,600 individuals, creating 486 jobs and increasing the GVA from £15m to £31m.

Our strategic priorities for local growth and regeneration are consistent with regional priorities and align with our mission to engage in knowledge exchange activity that meets the needs of the people of Lancashire, the region and beyond. In particular, we are committed to delivering education, training and research that increases qualifications and skills and boosts inclusion and productivity across Lancashire and the North West. Our partners include major private, public and not-for-profit employers, as well as Lancashire Local Economic Partnership (LEP), Lancashire County Council, Metropolitan Borough Councils and NHS Trusts.

We continue to engage, lead and contribute to a range of formal and informal groups that oversee economic development policy and funding issues, including a regular Department for Business, Energy and Industrial Strategy (BEIS) North West Higher Education Group and the Lancashire Enterprise Partnership. We are a strategic contributor to all sub-regional strategies and plans, including the Local Economic Strategy for Lancashire, the European Structural and Investment Funds (ESIF) Strategy, Lancashire Innovation Plan, the Local Industrial Strategy and the Northern Powerhouse. We are fully immersed within the regional growth and regeneration

ecosystem through our active participation in and support of the North West Universities Economic Development Unit, Chambers of Commerce and Industry, Local Authorities, Allied Health Science Network, NHS Trusts, Burnley Bondholders, Preston Partnership and sector bodies such as the North West Aerospace Alliance.

In 2022 our Vice-Chancellor, Professor Graham Baldwin, was appointed as a board director at the Lancashire Enterprise Partnership, which involves working to ensure that universities like UCLan are working collectively to drive innovation and skills development in support of economic growth and the government's levelling up agenda. The Vice-Chancellor is engaged in a number of other strategic roles which are helping to further the University's influence across higher education and its success as a civic anchor institution and catalyst for regional growth. These roles include: Non-Executive Director of East Lancashire Hospitals NHS Trust; Chair of the Maritime Skills Commission; Deputy Chair of the University Vocational Awards Council; Deputy Chair of the Universities and Colleges Employers Association; and Chair of MillionPlus.

As the representative body of modern universities in the UK, MillionPlus champions and promotes the myriad essential roles of modern universities in society, including driving social mobility and leading on placemaking in their respective locales. In February 2023, the Vice-Chancellor oversaw the publication of his first report as Chair of MillionPlus. The report called for reforms in the training of nursing, analysing the challenge of meeting increased demand for more nurses within the NHS alongside the need for a resilient and flexible clinical placements system to boost and support growth. The University's status as the largest educator of the region's health workforce means that the Vice-Chancellor's proposals come from a unique position of experience and expertise.

Statement of Public Benefit (continued)

Helping the region's businesses to thrive

Local growth and regeneration are at the heart of our Strategic Plan. We continue to champion business, enterprise and knowledge exchange, engaging with organisations and their workforces to help them increase productivity, adapt to the changing economic climate and take advantage of new opportunities. With the expertise of our academics we help businesses to introduce new technologies, facilities and production methods that will enable them to future-proof their business and thrive at the forefront of the Fourth Industrial Revolution. We work with over 7,500 businesses across the UK and have over 25 offers of business support available to help them succeed.

Our strong achievements in the Government's Knowledge Exchange Framework (KEF), last published in September 2023, showcase the breadth of work undertaken by our colleagues to share their knowledge, skills and expertise with businesses, local partners and communities. The University performed above average in its cluster for no less than six of the seven perspectives. The University demonstrated 'very high' engagement in three of them: continuous Professional Development (CPD) and graduate start-ups; local growth and regeneration; and working with the public and third sector.

Through our expanding portfolio of Continued Professional Development (CPD) courses and Higher and Degree Apprenticeships, we are helping organisations across the region to upskill their workforce and achieve growth. Higher and Degree Apprenticeships are recognised by the government as crucial in boosting productivity and economic growth locally, regionally and nationally. Our achievements are supported by our strategic alliance with the Blackburn-based charity Training 2000, one of the largest group training associations in the UK. Together we currently offer one of the largest portfolios of apprenticeship programmes in the UK, working with more than 400 employers and over 2,000 Degree Apprentices across 35+ programmes, with pathways available spanning Level 2 right through to Level 7. On the government's 'Find an Apprenticeship' page at gov.uk, 84% of respondents rated the University's provision as 'Good' or 'Excellent.'



Spark Apprenticeship Matching Service event.
[Read about the matching service.](#)

Our Apprenticeship Matching Service, launched during National Apprenticeship Week in February 2023, runs all year round, providing those interested in completing a Degree Apprenticeship with the chance to be introduced to employers looking to develop their workforce. For employers we provide a free specialist recruitment package, tailored to their needs, with step-by-step support from vacancy to appointment.

Throughout 2022/23 we held several events for members of the public and organisations to discover more about the benefits of Degree Apprenticeships.

Our business engagement programmes include our Centre for SME and Enterprise Development, a growing network of over 1,500 active members from organisations across the North West plus many of our own students and graduates. Business leaders benefit from regular educational and knowledge exchange opportunities including guest speakers, workshops, round table discussions and networking events. From October 2023 the Centre will be running a new 12-week 'Help to Grow' management course for leaders of SMEs seeking to take their business to the next level.

Other successful projects have included UpSkilling Lancashire, which supports businesses to increase the skills and capabilities of their workforce, and the Lancashire Engaging Apprentices Project (LEAP), which delivers a targeted mix of support, training and

Statement of Public Benefit (continued)

development for apprentices and their workplace mentors within the region's SMEs. Part-funded by the European Social Fund, the LEAP project will close at the end of December 2023 but numerous other business engagement projects will remain active. Other key projects have included Knowledge Transfer Partnerships (KTPs), where businesses access our academic expertise with a view to improving their performance, competitiveness and productivity, and an Intellectual Property (IP) and Commercialisation Team, which helps businesses to effectively protect and market their products.

Back in December 2021, UCLan was named the top university in the North of England for producing start-up businesses (Tide, 2021). Through our Propeller Student Enterprise Service, we gave formal business and enterprise support to 851 new businesses, including sole traders, in the six years leading up to the announcement. These companies were created by students and graduates who received expert help within two years of completing their academic studies. We hold regular business skills workshops and offer business incubation facilities on campus. These successes placed UCLan fifth overall in Tide's list of UK higher education providers.



Propeller Student Enterprise Service with the Centre for SME and Enterprise Development.

[Read the full story.](#)

The Creative Innovation Zone (CIZ) on campus generates dynamic, student-led projects by placing creative thinking at the heart of employer engagement and students at the forefront of innovation and enterprise. The CIZ won the Business/Industry Collaboration - University Sector award at the Education North Awards in April 2022.

Our £35m Engineering Innovation Centre (EIC), which opened in 2019, continues to be a catalyst for collaboration and knowledge transfer between the University and our industry partners, helping to position Lancashire at the forefront of the Fourth Industrial Revolution and cementing the region as a national centre of excellence for aerospace, advanced engineering and manufacturing.

In January 2022 the University's School of Business was awarded the Small Business Charter (SBC), an award which is held for three years. It recognises the School's demonstrable focus on small business engagement and the promotion of student enterprise skills through course-based and co-curricular activities. The SBC assessment report verified that the funded business support projects across the School of Business and the wider University had assisted 1,744 SMEs, created 236 jobs and generated £15 million to the local economy.

Several business leaders have been chosen to inspire the next generation of student entrepreneurs through the Entrepreneurs in Residence Scheme, which launched in January 2022. It has seen students engaging directly with experienced professionals and benefiting from various opportunities including work placements, guest lecturers, workshops and mentoring.

In June 2022 the University signed a Memorandum of Understanding with BAE Systems to enable further collaboration on a range of business innovation initiatives to support Lancashire enterprises and the development of entrepreneurship training.

In March 2023 the University sponsored the New Business Award and the Transformation Award at Lancashire Business View's Red Rose Awards, the annual celebration of the Lancashire business community.

Statement of Public Benefit (continued)

Community engagement

Throughout 2022/23 the University has led several initiatives designed to educate, engage and inspire people across our communities. We have a vital role to play in raising aspirations across Lancashire and encouraging people to look towards higher education as a means of expanding their horizons and setting themselves up for a successful future.

In May 2023 more than 10,000 visitors attended the three-day Lancashire Science Festival on campus, which featured live shows and hands-on exhibits designed to inspire young people to become the next generation of science, maths, engineering and technology (STEM) innovators. The first two days welcomed invited school groups, while on the final day we opened our doors to members of the public and their families. The University also hosted several cultural and community events as part of the four-day Lancashire Encounter festival which took place in September 2022 and September 2023, working alongside Arts Council England, Preston City Council and Lancashire County Council.

In recent months we have led numerous educational and cultural initiatives for the benefit of local communities. Here are a few highlights:

- The North West Regional Strategic Migration Partnership is part of a regional initiative to increase TESOL teachers in Lancashire and Cumbria. The University has worked alongside Lancashire County Council and the NWRSMSP to deliver fully-funded language courses leading to an internationally recognised TESOL qualification. The opportunity will enable asylum seekers and others migrating to the UK to better integrate into UK society and find meaningful work by developing their English language skills.
- In July 2023 the University and the Lord Lieutenant of Lancashire announced plans to establish the Lancashire Creative Commonwealth Association, celebrating the county's links with 56 member states. Supported by the EU Creative Communities Group, it will promote active citizenship and lifelong learning. A number of events took place inside the Mobile Event Tent (MET) on University Square.



Lancashire Science Festival 2023. [Read the full story.](#)

Statement of Public Benefit (continued)

- More than 1,000 people visited UCLan to participate in a series of free health checks as part of the Preston Health Mela, organised by the National Forum for Health and Wellbeing in partnership with the School of Medicine and Dentistry. The event in March 2023 brought together more than 70 stalls manned by community health professionals, volunteers and UCLan students.
- In February 2023 the University announced a new partnership with the Community Foundation for Lancashire which will lead to several projects designed to benefit the region. It will allow students to gain work experience with local charities, enable academics to lend their expertise to research and enterprise initiatives and bring together the local business community to participate in joint funding bids and other projects.
- The University is a strong supporter of the Armed Forces community and reaffirmed this in June 2022 by re-signing the Armed Forces Covenant. Recognising the value that serving personnel, reservists, veterans and military families bring to the community, the covenant is a written voluntary pledge from businesses and charitable organisations who wish to demonstrate their support. In July 2022 UCLan and Health Education England organised an event to inspire children from military families to consider careers in the NHS through several hands-on activities. In February 2023 we welcomed over 100 veterans to the University for the Work and Health Fair, an event designed to match up former members of the Armed Forces with new employment opportunities.
- In September 2022, the President of the Law Society officially opened the University's Advice and Resolution Centre (ARC), a suite of services that will link students and academics with the local community to offer support on legal and cybercrime matters. The ARC brings together the Law Clinic, Business Law Clinic, Centre for Mediation, Cybercrime Advice Clinic and Missing Persons Clinic. Students will gain invaluable experience working with members of the public under expert supervision, supported by charities including the Citizens Advice Bureau, Cyber Helpline and Locate International.
- The Preston Jazz and Improvisation Festival took place between 21 May – 10 June 2023, welcoming thousands of people into the city to enjoy more than 100 performers. The Festival Director was Tony Rigg, course leader in the University's School of Arts and Media. The event was funded by Arts Council England and Preston City Council.
- In July 2023 the University hosted two literary festivals for youngsters: the Northern Young Adult Literary Festival and the Kids' Literary Festival. A variety of panels, writing workshops and hands-on activities were designed to inspire young people to engage with literature and consider careers in the publishing industry.
- In July 2023 we invited hundreds of graduates to a special Alumni Reunion event on campus which welcomed people who attended UCLan and its predecessor institutions between the 1940s and the present day. The event culminated in a reception with the Vice-Chancellor and a talk from television star and UCLan honorary graduate John Thomson.



Alumni reunion event.

- Dentistry academics have been working with two local community groups - East Meets West and Refugee, Advocacy, Information and Support (RAIS) - to provide refugees living in Preston with oral health education and oral cancer screening. Free follow-up appointments were made available at the University's Dental Education Centre (DEC) in Morecambe. The School of Medicine and Dentistry plans to open up the service to other local charities and organisations.

Statement of Public Benefit (continued)

Other notable community engagement events included:

- A free public event taking people on a journey of discovery to the Sun, hosted by Robert Walsh, Professor of Solar Physics (May 2023).
- *How Humanities Can Save the World* was a festival promoting the value of the humanities in today's society to local schoolchildren (June 2023).
- The Preston City Games, jointly organised with Preston City Council and business networking provider Shout Connect, invited local businesses and charities to compete in a range of sports to promote teamwork and positive mental health (June 2023).
- A public event marking the 80th anniversary of the historic 'Battle of Bamber Bridge' incident in Preston (which raised issues of the racist treatment of black American soldiers by their commanding officers during the Second World War). It was organised by Professor Alan Rice from the University's Institute for Black Atlantic Research (IBAR) (June 2023).
- A celebration of Japanese culture to mark Japan Day, which invited the public to learn about the country and participate in cultural activities (February 2023).



UCLan netball players.

[Read the full story.](#)

Promoting equality and social responsibility

The University continues to engage with important societal issues such as equality, diversity and inclusion (EDI), climate change and sustainability. In June 2022, we announced our divestment from fossil fuels, in line with our commitment to ethical and sustainable investments. This means that the University's third-party fund manager will no longer be investing endowments in companies involved in the extraction and distribution of fossil fuel reserves or the provision of fossil fuel related energy equipment and services.

Our commitment to sustainability and ethical practices has been reflected in the annual People and Planet Green League Table, published at the end of 2022, which has seen us raise 13 places to 40th out of 153 institutions. It follows ongoing work across the University to operate more sustainably and reduce our carbon footprint. Over the last 15 years we have made a 42.5% reduction in our carbon emissions following changes to how we operate, such as condensing activities into fewer buildings on campus during the evenings to reduce energy consumption, ensuring that newly constructed buildings are sustainable (our new Student Centre, for example, was designed to be environmentally sustainable and holds BREEAM Excellent and EPC-A ratings), increasing our use of solar energy and introducing sustainability considerations into our curriculum. Our Making Carbon Work (MaCaW) project, which was funded by the European Regional Development Fund and ran from November 2017 to June 2023, helped 193 SMEs to transition to low carbon technologies and operations. We are one of only 13 universities worldwide to hold Bronze Carbon Literacy Status, awarded by the Carbon Literacy Project.

We once again held several community engagement events on and around our campus in celebration of Black History Month (October 2022), including public lectures, film screenings and the launch of the book 'England is My Home: Windrush Lives in Lancashire', telling the stories of the Windrush generation's arrival in the region, with contributions from UCLan academics.

We continue to be vocal supporters of our LGBTQ+ community and strive to challenge inequality and discrimination while creating new opportunities

Statement of Public Benefit (continued)

for the benefit of underrepresented groups. In September 2022, to mark Preston Pride weekend, we lit up our Student Centre in rainbow colours and teamed up with a local LGBTQ+ community group to celebrate and explore queer self-expression through an art exhibition, Rainbow Roses.

In November 2022 we held several events to mark Disability History Month, aimed at raising awareness and fostering support with those with seen and unseen disabilities across our communities. Many of the events were collaborations with organisations such as Disability Equality North West and Galloways, a sight loss charity. Inspired by the ADHD Foundation's Neurodiversity Umbrella Project, long-term art exhibitions featuring colourful umbrellas were installed at our Preston, Burnley and Westlakes campuses, aimed at highlighting the positive contribution of neurodivergent individuals to our University and the wider community. A new staff network focused on neurodiversity was also launched. That same month, UCLan sports academic Dave Banks used the performance analysis skills he normally teaches to his students as part of the team behind the England wheelchair rugby league team's World Cup victory.



Disability History Month launch event.

In May 2023 we unveiled a new anti-racism training programme developed by the UCLan Global Race Centre for Equality (GRaCE) which will give organisations the tools they need to create a working environment where all employees feel valued, safe and equal.

Internationally, the University continues to support people who face barriers in accessing higher education. By signing up as a supporting organisation of the City of Sanctuary in March 2022, we have declared ourselves to be a

welcoming place of safety and sanctuary for refugees, asylum seekers and anyone who is fleeing violence and persecution. As part of our commitment to help, we have created and launched the Sanctuary Scholarship, which will be awarded to one sanctuary seeking student per year who is not eligible to access student finance. The scholarship will waive their three-year undergraduate fees (currently £9,250 per year) and offer a support package worth up to £5,000 a year.

In May 2023 we welcomed visitors from our Ukrainian partners at Uzhorod National University, which became twinned with UCLan in June 2022, in a pledge of support to help the institution maintain operations during the conflict with Russia. Since then, we have provided English classes to UzhNU students, both online and at our Cyprus Campus, as well as supplying them with a shipment of computer equipment for use by young learners and professionals displaced by war.

Our future

Over the coming years we will continue to be innovative and strive for excellence in everything we do. This applies especially to our teaching, our life-changing research and the outstanding support we provide which enables our students to realise their potential. By regularly reviewing our vision, mission, aspirations and strategic priorities, we will continue to lead the way in modern learning and grow as an institution, remaining relevant and innovative in our ever-changing world.

Our Strategic Plan 2021-2028 sets out our ambitions for the next few years. Looking towards our 200-year anniversary in 2028, our priorities are many and varied. They include our unwavering focus on people, our innovative approach to teaching and learning and our ever-increasing reputation in research and its effect on society. Not forgetting our role as a civic university, our commitment to growing the regional economy, our continued focus on environmental and sustainability agendas and our developing status as a global institution.

As always, our students will be at the heart of everything we do. They can be assured that, during their time with us, they will gain the knowledge and skills to achieve their ambitions and the passion and confidence to shape their future.

Corporate Governance Statement

Regulation and charitable status

The University of Central Lancashire is a Higher Education Corporation (HEC) established under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. The principal regulator is the Office for Students (OfS) and the University is subject to its ongoing Conditions of Registration, as defined in the OfS Regulatory Framework. Under the terms of the Charities Act 2011, the University is also exempt from registration and regulation by the Charities Commission.

The charitable purpose of the University is the advancement of education for the public benefit, and the members of the Board of Governors are also Trustees of the University for the purposes of Charity Law.

Governance arrangements in place throughout the year ended 31 July 2023 and up to the date of approval of the Financial Statements are described below.

Our approach to corporate governance

The University's Instrument and Articles of Government, as approved by the Privy Council, provide the constitutional framework for the University and define its powers. Amongst other things, the Instrument and Articles provide that the University has a Board of Governors (The Board), a Vice-Chancellor and an Academic Board, each with clearly defined objectives and responsibilities.

The University is committed to achieving best practice in all aspects of corporate governance via compliance with the Committee of University Chairs (CUC) Higher Education Code of Governance, CUC Codes relating to Audit Committees and Senior Staff Remuneration, the OfS's ongoing Conditions of Registration and the Seven Principles of Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

Summary of the University's structure of corporate governance

The Board is the Governing Body of the University. The responsibilities of the Board and its Committees are set out in the Instrument and Articles, Statement of Primary Responsibilities, Committee Terms of Reference and by the OfS Regulatory Framework and various other statutory regulatory provisions.

The Articles of Government provide that the following key responsibilities are reserved for decision by the Board:

- the determination of the educational character and mission of the University;
- the approval of the annual estimates of income and expenditure;
- ensuring the solvency of the University and the safeguarding of its assets;
- the appointment or dismissal of the Vice-Chancellor, Clerk to the Board, the Chair and Deputy Chair; and
- the varying or revoking of the Articles of Government.

The Board of Governors is led by an independent Chair and has a majority of independent members. Board members also include the Vice-Chancellor, the President of the Students' Union and two staff members.

The Vice-Chancellor is accountable to the Board and has responsibility for the organisation, direction and management of the University and the leadership of its staff and is the Accountable Officer for the purpose of the OfS Conditions of Registration.

The University has an OfS Compliance Manager within the Governance Team of the Office of the University Secretary and General Counsel. Reports on OfS compliance issues are presented to the Executive Team (Vice-Chancellor's Group) and the Governance, Risk and Nominations Committee of the Board.

Corporate Governance Statement (continued)

Register of interests

Members of the Board and Vice-Chancellor's Group declare any potential conflicts of interest annually. In addition, they are also asked to declare any specific interests relating to matters on the agenda at each Board and Committee meeting. A Register of Interests of Members of the Board and Vice-Chancellor's Group is maintained by the Office of the University Secretary and General Counsel.

Conduct of business

During the 2022/23 academic year, the Board met six times.

The Board has appointed Committees, each with agreed Terms of Reference which define their remit, powers and rules for how meetings are conducted.

The Board has the following Committees:

- Resources Committee
- Audit Committee
- Governance, Risk and Nominations Committee
- Remuneration Committee
- Urgent Business Committee
- Honorary Awards Committee

Resources Committee

The Resources Committee is responsible for considering and agreeing (or recommending to the Board) various key financial decisions and documents, including the budget, Financial Statements and capital expenditure plans. The Committee also has oversight of the Estates, Health and Safety, People and Information Technology strategies. The Committee acts on behalf of the University in respect of the University's involvement in limited companies and significant developments and joint ventures. The Committee also agrees the terms of the University's Financial Regulations and various related policies and procedures.

The Committee met six times during the 2022/23 academic year including one special meeting, and approved two written resolutions.

Audit Committee

The Audit Committee is responsible for reviewing the effectiveness of the University's systems of audit and internal control. The Committee scrutinises the audit of the University and in doing so helps to protect the University's reputation and provide a level of assurance to key stakeholders, partners (including the student community) and society more widely. It advises the Board on matters relating to the appointment of Internal and External Auditors. The Committee agrees an annual Internal Audit Plan, oversees the work of both Internal and External Auditors and receives regular reports from both on their activities and conclusions. The Committee produces an Annual Report to the Board summarising its work during the year and provides the Board with assurance that the Committee has fulfilled its responsibilities and discharged its functions.

The Committee met three times during the 2022/23 academic year.

Governance, Risk and Nominations Committee

The Governance, Risk and Nominations Committee advises the Board on matters relating to Corporate Governance of the University, in order to ensure compliance with best practice and the OfS regulatory requirements. It is also responsible for monitoring the Risk Register and the implementation of the Risk Management processes, as well as supporting and advising the Board in the identification and appointment of new Members of the Board and its Committees and the ongoing development of Board Members.

During the last twelve months, the Committee undertook a recruitment process to identify new Independent Board Members along with a new Teacher Board Member. The process was successful and led to the appointment of four new Governing Body Members

The Committee met four times during the 2022/23 academic year and received regular updates and assurance on compliance issues, along with reports on the University's Risk Register and Risk Management arrangements.

Corporate Governance Statement (continued)

Remuneration Committee

The Remuneration Committee agrees the remuneration and Terms and Conditions of Employment of the Vice-Chancellor and members of the Vice-Chancellor's Group. The Committee also reviews the performance of the Vice-Chancellor.

In line with best practice, the Committee presents an Annual Report to the Board summarising the Committee's work and certain information set out in the CUC Senior Staff Remuneration Code.

The Committee met three times during the 2022/23 academic year.

Urgent Business Committee

The Urgent Business Committee has power to take any decision on behalf of the Board provided that:

- It is not a decision specifically required by legislation and/or the University's Instrument and Articles to be taken by the Board; and
- The Committee is satisfied that the decision sought is urgent and cannot reasonably await consideration at the next meeting of the Board.

The Committee did not meet or approve any Written Resolutions during the 2022/23 academic year.

Honorary Awards Committee

The Honorary Awards Committee has responsibility for the consideration of nominations for Honorary Fellowships and Doctorates bestowed by the University and it maintains the relevant processes.

The Committee met twice during the 2022/23 academic year.

Environmental Working Group

On 24 November 2022, the University Board agreed that the Environmental Working Group be wound up and the work of the Working Group should be undertaken by the Resources Committee.

IP/Commercialisation Panel

On 12 June 2023, the Resources Committee agreed the proposal to form an IP/Commercialisation Panel with a remit to advise the Committee and/or Vice-Chancellor's Group on commercial opportunities with the potential to become a spin-out company or otherwise to provide a significant financial return to the University.

Lead Members/Board Champions

In response to the increasing requirement of regulators for increased Governing Body oversight of particular issues, during 2022/23 the Board has appointed Board Champions /Lead Members in the following areas:

- Equality, Diversity and Inclusion
- Degree Apprenticeships
- Prevent and Safeguarding

Review of corporate governance and board effectiveness

The Board has established its governance arrangements with due regard to the provisions of relevant guidance and good practice, in particular the Higher Education Code of Governance issued by the CUC.

The Board is assisted in ensuring its effectiveness by periodic independent reviews of the University's corporate governance arrangements and its compliance with relevant best practice.

Following the successful conclusion of two separate recruitment processes for independent Board Members in the 2021/22 and 2022/23 academic years, the next Governance Effectiveness review is scheduled to be undertaken during the 2023/24 academic year. The review will examine the University's arrangements to ensure compliance with the CUC's Higher Education Code of Governance and the findings will be presented to the Governance, Risk and Nominations Committee and the University Board.

Corporate Governance Statement (continued)

Governor training and development

The University has an induction process in place for all newly appointed Board Members which is tailored to meet the needs of each individual. In addition, Board Members are given the opportunity to attend training, briefings and events hosted internally or by the Internal and External Auditors or other relevant experts on a range of subjects that may help them undertake their role. The Vice-Chancellor and Vice-Chancellor's Group colleagues also provide relevant updates at each Board meeting and, if necessary, between meetings on any significant issues and/or developments.

Use of public funding

The University aims to achieve value for money in its use of resources and publishes a Value for Money Statement.

The Financial Regulations of the University ensure that budget holders within the University operate in compliance with the relevant legislation, within their delegated authority and with propriety. The Financial Regulations reflect the need for efficiency, economy, effectiveness and prudence in the administration of the University's resources.

The University's Financial Regulations and associated operational guidance notes were reviewed and approved by the Resources Committee in June 2023 with some updates to reflect incremental and structural changes.

Transparency

In order to maximise the transparency of the University's corporate governance arrangements, the constitutional documents, Terms of Reference, Board and Executive members' details and Register of Interests, memberships of Committees and all non-confidential Board Minutes are available online or from the Office of the University Secretary and General Counsel.

Academic governance

Oversight of academic issues within the University is principally undertaken by the University's Academic Board in line with the arrangements set out in the Academic Governance Manual.

The Academic Board is responsible for:

- General issues relating to the research, scholarship, teaching and courses at the University, including criteria for the admission of students;
- Oversight of the effective implementation of the academic strategies;
- The appointment and removal of internal and external examiners;
- Policies and procedures for assessment and examination of the academic performance of students;
- The content of the curriculum, academic standards, quality of teaching, the student experience, the approval and review of courses and the procedures for the award of qualifications;
- The procedures for the expulsion of students for academic reasons;
- The governance of standards and returns to the OfS and other professional, statutory and regulatory bodies relating to academic and professional body standards;
- Policies and procedures relating to equality, diversity and inclusion.

In order to provide the University Board with assurance as to academic quality issues in the University, the University Board receives an Annual Report from the Vice-Chancellor on the activities of the Academic Board. In order to further strengthen the oversight of academic quality and standards, the University Board has appointed two independent Board Members to the Academic Board. These Members also present reports to the University Board on academic quality and related issues.

Corporate Governance Statement (continued)

Internal control and risk management

The University Board has overall responsibility for ensuring that the University's internal control and risk management systems are effective.

The University's internal control system is embedded in ongoing operations, supported by a number of policies and documents approved by the University Board and/or its Committees. These include:

- Financial Regulations
- Risk Management Policy (including Risk Appetite Statement)
- University Risk Register
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering Policy
- Treasury Management Policy and Ethical Investment Policy
- Fraud Response Plan and Public Interest Disclosure Policy
- Fraud Policy Statement

The University has an ongoing process for identifying, evaluating and managing significant risks to the achievement of its objectives. The system of internal control is designed to manage, rather than eliminate, the risk of failure and therefore provides a reasonable, not absolute, assurance of effectiveness. The following arrangements have been in place throughout the year ended 31 July 2023 and up to the date of the approval of the Financial Statements.

The Risk Management Policy is prepared by the Vice-Chancellor's Group and reviewed and agreed by the Governance, Risk and Nominations Committee. It was extensively reviewed during 2022/23 and the degree of risk the University is willing to accept for each category of risk has been considered in the accompanying Risk Appetite Statement. The Policy has been shared with all Board members.

The Governance, Risk and Nominations Committee regularly reviews the University Risk Register, which is prepared by the Vice-

Chancellor's Group and agreed by the Board. The Register includes key risks including financial, corporate, academic, operational and compliance. The likelihood and impact of each risk is assessed and robust prioritisation is applied. The Register sets out the action already taken, further action proposed to mitigate each risk and the direction of travel for each over time. This enables the Governance, Risk and Nominations Committee to consider what further action may be necessary.

The Governance, Risk and Nominations Committee discusses key strategic risks as well as the University Risk Register as a whole. The University Board receives and discusses reports on specific internal control and risk issues. During the period covered by this statement, this has included the Academic Board Annual Assurance Report, the Annual Cyber Security Update and various financial reports, as well as regular reports from executives on key issues including Degree Apprenticeships, Research Integrity, Prevent, Safeguarding and Mental Wellbeing. The Board also receives regular reports from Committee Chairs and an Annual Report from the Audit Committee which presents the Committee's review of the effectiveness of internal controls. An Annual Report is also submitted by the Remuneration Committee summarising the action taken by the Committee over the year, along with various information specified in the CUC Guidance on Senior Pay.

The Resources Committee considers the annual review of the Financial Regulations and related policies, as well as other key financial issues and risks, receiving reports and presentations from the Chief Finance Officer and, where necessary, the Vice-Chancellor or other members of the Vice-Chancellor's Group.

The University's independent Internal Auditor, RSM UK LLP, undertakes a programme of audit reviews and presents reports to each meeting of the Audit Committee. The Internal Audit Annual Report presents the internal auditor's opinion on the adequacy and effectiveness of:

- Governance
- Risk management
- Internal control
- Economy, efficiency and effectiveness (Value for Money) arrangements

Corporate Governance Statement (continued)

For 2022/23 the Internal Auditor's Annual Report states that: "The organisation has an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness. However, work has identified further enhancements to the framework for risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective".

In RSM UK's Annual Report the following are set out in the "Factors and Findings Which Have Informed Our Opinion" section:

"Governance

To inform our governance opinion for 2022/23, we have taken into consideration the governance related elements of each of the assignment reviews undertaken as part of the 2022/23 internal audit plan. This includes the Framework for the Delivery of the Strategic Plan 2021 - 2028 (1.22/23) review, which concluded that substantial assurance could be taken, with one "low" priority management action raised.

In addition, our governance opinion is informed by our attendance at meetings of the Audit Committee throughout the year. This builds upon our cumulative knowledge of UCLan's established governance processes through coverage in previous years.

Risk management

Our risk management opinion for 2022/23 is informed by our assessment of the risk mitigation procedures undertaken in the areas covered by the risk-based reviews completed as part of the 2022/23 internal audit plan. This has included the Secure Remote Working and Operational Resilience (5.22/23) and the Emergency Planning and Business Continuity (2.22/23) reviews.

Furthermore, our risk management opinion is also informed by our attendance at meetings of the Audit Committee, whilst recognising the Governance, Risk and Nominations Committee is responsible for the oversight of risk.

Internal control

The result of the internal audit assignment reviews have been taken into consideration in determining our internal control opinion for 2022/23. Of the seven assurance assignments, we concluded that the Board could take 'substantial' assurance in two cases and 'reasonable' assurance in four cases. For the remaining case, we concluded a split opinion could be taken by the University, with 'substantial' assurance in Emergency Planning and 'reasonable' assurance in Business Continuity Planning as part of the Emergency Planning and Business Continuity (2.22/23) review.

A total of two 'high' priority, 12 'medium' priority and 17 'low' priority actions have been raised across the seven assurance reviews.

One advisory audit, Review of Sub-Strategy 6 Future-proofing our University (7.22/23), was also undertaken during 2022/23 with 10 advisory actions raised.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Economy, efficiency and effectiveness

Our economy, efficiency and effectiveness opinion for 2022/23 is informed in part by the value for money related elements embedded in each of the assignment reviews undertaken as part of the 2022/23 internal audit plan. In addition, the outcomes of our Student Tuition Fee Records (8.22/23) review, which concluded that the Board could take reasonable assurance, has been considered.

Corporate Governance Statement (continued)

Data quality and management

Our data quality opinion for 2022/23 is informed through our review of Student Tuition Fee Records (8.22/23) where we undertook sample testing around student fees (home and international) within the annual HESES Data Returns. No exceptions were noted based on our sample testing."

The University's Internal Auditor and External Auditor attend each meeting of the Audit Committee and present reports throughout the year. The External Auditor's Year End Report for 2022/23 includes an assessment of the University's control environment and key risks identified during the audit, including findings on the significant risks and other areas of audit focus. The Report states that the External Auditor has issued an unmodified Auditor's Report for the Consolidated Financial Statement for the year ended 31 July 2023.

Audit Committee's assurance to the Board

Based on the information presented to the Audit Committee during the year, the Committee is satisfied with the adequacy and effectiveness of the University's arrangements for:

- Risk management;
- Internal control;
- Governance;
- Sustainability, economy, efficiency and effectiveness (Value for Money); and
- Management and quality assurance of data submitted to external regulatory agencies, including the Higher Education Statistics Agency, the Student Loans Company, the Education and Skills Funding Agency (ESFA), the OfS, Research England and other bodies.

The Audit Committee is satisfied that the control systems in place at the University are generally effective and are operating satisfactorily. Where issues are identified - typically in the course of the work carried out by the Internal Auditor - there is open discussion at the Committee of the matters raised, with senior managers in attendance to explain and confirm arrangements for remedial action. This, the University Board can rely on the

adequacy and effectiveness of the University's arrangements with regard to the above categories.

The Internal Auditors undertook seven assurance audits and concluded that the Board could take 'substantial' assurance in two cases and 'reasonable' assurance in four cases. For the 'Emergency Planning and Business Continuity' review, RSM provided a split opinion with 'substantial' assurance in respect of Emergency Planning and 'reasonable' assurance in respect of Business Continuity.

Corporate Governance Statement (continued)

Audit Committee's assurance to the Board (continued)

A total of two 'high' priority, 12 'medium' priority and 17 'low' priority actions have been raised across the seven assurance reviews.

One advisory audit, Review of Sub-Strategy 6 Future-proofing our University, was also undertaken during 2022/23 with 10 advisory actions raised.

In 2022/23, the University Board received reports from the Chair of the Audit Committee following meetings of the Committee. The Board also received various reports during Board meetings, providing assurance that the risk to effective management and internal control arrangements continued to be appropriately identified and addressed.

Statement of Primary Responsibilities of the Board

1. To set and agree the mission, strategic vision and values of the institution with the Executive.
2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
4. To delegate authority to the Vice-Chancellor for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor.
5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
6. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the institution.
9. To appoint the Vice-Chancellor as Chief Executive and to put in place suitable arrangements for monitoring their performance.
10. To appoint a Clerk to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
11. To oversee the University's role as an employer and to be accountable for ensuring that an appropriate People Strategy is established.
12. To be the principal body overseeing financial and business arrangements of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estates.
13. To be the institution's chief legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes compliance with all applicable legislation.
14. To receive assurance that adequate provision has been made for the general welfare of students.
15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
16. To ensure that the University complies with its constitution and applicable regulatory framework and conditions, and that appropriate advice is available to enable this to happen.
17. To promote a culture which supports inclusivity and diversity across the institution.
18. To maintain and protect the principles of academic freedom and freedom of speech legislation.
19. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

Statement of the Board of Governors' Responsibilities in respect of the Operating and Financial Review and the Financial Statements

The Board of Governors is responsible for preparing the Operating and Financial Review 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 Board of Governors 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 Board of Governors 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 has no realistic alternative but to do so.

Statement of the Board of Governors' Responsibilities in respect of the Operating and Financial Review and the Financial Statements (continued)

The Board of Governors 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 Board of Governors 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;
- income has been applied in accordance with the University's Articles of Government;
- 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 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 Board of Governors 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.

Independent Auditor's Report to the Board of Governors of the University of Central Lancashire

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the University of Central Lancashire ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Balance Sheet, Consolidated and University Statement of Changes in Reserves, Consolidated Cash Flow Statement and related notes, including the 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 Board of Governors 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 Board of Governors' 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 Board of Governors' 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 Board of Governors' 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.

Independent Auditor's Report to the Board of Governors of the University of Central Lancashire (continued)

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 governors and inspection of policy documentation as to the University's high-level policies and procedures to prevent and detect fraud, and the public interest disclosure "whistleblowing" policy as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit 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, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from courses delivered over the year end or where payments are received in instalments, is recorded in the wrong period.

We did not identify any additional fraud risks.

We 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 posted by senior finance management and journals posted to cash and turnover that were considered outside of the normal course of business.

- Sample testing tuition fee income for courses spanning the year end and deferred or accrued tuition fee income as to whether it had been recorded in the correct period; and
- 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, through discussion with Board members and other management (as required by auditing standards) and discussed with the management the policies and procedures regarding compliance with laws and regulations.

As the University 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/University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation 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/University is subject to many other laws and regulations where the consequences of non-compliance could

Independent Auditor's Report to the Board of Governors of the University of Central Lancashire (continued)

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 Higher Education's regulatory requirements of Office for Students (OfS), recognising the regulated nature of the University's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors 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.

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 Board of Governors is responsible for the other information, which comprises the Operating and Financial Review, the Statement of Public Benefit and the Corporate Governance Statement. 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.

Board of Governors responsibilities

As explained more fully in its statement set out on page 29, the Board of Governors 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

Independent Auditor's Report to the Board of Governors of the University of Central Lancashire (continued)

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](#).

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;
- income has been applied in accordance with the University's articles of government
- 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 9b 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 2 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 Board of Governors in accordance with the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors 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 Board of Governors for our audit work, for this report, or for the opinions we have formed.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peters Square
Manchester
M2 3AE

27/11/2023

Statement of Accounting Policies

1. Basis of preparation

The Group and parent University 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 Higher Education and Research Act 2017, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the OfS and the terms and conditions of Research England grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and investments).

The Group has adopted amendments permitted under FRS 102 paragraphs 29.14A and 29.22A which relate to gift-aid payments made within charitable groups. The University has taken the exemption permitted under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

The Group has applied the exemption permitted under s479A of the Companies Act 2006 in relation to the requirement for audit in respect of two of the group companies, Centralan Holdings Limited and UCLan Community Dentists Limited.

Going concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Board of Governors consider to be appropriate for the following reasons.

The University has prepared cash flow forecasts for a period of eighteen months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will 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).

Forecasts have looked at potential financial impacts from, particularly, changes in student recruitment and student progression, as well as other income losses and exceptional expenditure. Stress testing of these forecasts has shown that the University has sufficient cash flows and significant cash reserves to be able to withstand the downside scenarios and meet its commitments.

Consequently, the Board of Governors 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.

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the University of Central Lancashire Students' Union as the University does not exert control or dominant influence over policy decisions. Associated companies and joint ventures are accounted for using the equity method. For the purposes of consolidation, UCLan (Cyprus) Limited is treated as an associate.

Statement of Accounting Policies (continued)

2. Recognition of income

Income from the sale of goods and services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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.

Revenue grants

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

Other grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met. Investment

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

Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restriction applied to the individual endowment fund.

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income. Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

Capital grants

Government grants which relate to the purchase or construction of assets are recorded in income on a systematic basis over the useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance conditions being met.

3. Pension schemes

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) (formerly the Teachers' Superannuation Scheme), for academic staff, and the Local Government Pension Scheme (LGPS), for those staff not included as academic. In addition a small number of academic staff are members of the Universities' Superannuation Scheme (USS). The schemes are defined benefit schemes which are externally funded.

Statement of Accounting Policies (continued)

The TPS is valued every five years by the Government Actuary and the LGPS is valued every three years by a professionally qualified independent actuary. Pension costs are assessed on the latest actuarial valuations of each scheme and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services. Variations from regular cost are spread over the expected remaining working lifetime of members of the schemes after making allowances for future withdrawals.

The USS scheme is a multi-employer scheme and is unable to identify an individual employer's share of assets and liabilities. Consequently, individual employers are unable to apply defined benefit accounting. Section 28 of FRS 102 states that if sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit plan, an entity shall account for the plan as if it was a defined contribution plan.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the employer 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.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans (and other post-employment benefits) is calculated (separately for each plan) by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) (and any unrecognised past service costs) are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in sterling and having maturity dates approximating to the term of the University's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

4. 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 liability expected to arise as a result of the unused entitlement.

5. 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 are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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.

6. Operating leases

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

7. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at

Statement of Accounting Policies (continued)

the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity.

8. Maintenance of premises

The cost of all maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as incurred.

9. Intangible fixed assets

Intangible software assets purchased separately or developed within the University are initially recognised at cost.

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

Intangible assets are amortised on a straight line basis over their estimated useful life of 5 years from initial use of the asset.

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

10. Tangible fixed assets

a) Land and buildings

Land and buildings are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Certain land and buildings that had been revalued to fair value on or prior to 31 July 2014, the date of transition to SORP 2015/FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a tangible fixed asset have different useful lives they are accounted for as separate items of assets.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life of 50 years. Leasehold buildings are amortised over 50 years or, if shorter, the life of the lease.

Where land and buildings are acquired with the aid of government grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the tangible fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of quantity surveyors' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Statement of Accounting Policies (continued)

Costs incurred in relation to land and buildings after the initial purchase or construction are capitalised to the extent that they are expected to derive future benefits to the University.

b) Equipment

Equipment costing less than £10,000 per individual item or in the same category of items is written off to the Statement of Comprehensive Income and Expenditure in the year of acquisition. Capitalised equipment is depreciated over its useful economic life as follows:

Motor vehicles and general equipment	-	20% per annum
Computer equipment	-	33% per annum
Equipment acquired for specific projects	-	Project life

Where equipment is acquired with the aid of specific government grants it is capitalised and depreciated in accordance with the above accounting policy, with the related grant being credited to a deferred capital grant account and released to the Statement of Comprehensive Income and Expenditure over the useful economic life of the related equipment.

c) Borrowing costs

Borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

11. Investment properties

Investment property is land and buildings held for rental income or capital appreciation, rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

12. Investments

Both non-current and current asset investments are held on the Balance Sheet at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

Investments in subsidiaries and associates are carried at cost less any impairment in the University's accounts.

13. Stocks and work in progress

Stocks and work in progress are valued at lower of cost and net realisable value.

14. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash with insignificant risk of change in value.

15. Provisions and contingent liabilities

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 the risks specific to the liability.

A contingent liability arises from a past event that gives the University 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 University.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources

Statement of Accounting Policies (continued)

will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet, but are disclosed in the notes.

16. Taxation status

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

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

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

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 financial statements. Deferred tax assets are more likely than not to be recovered, and hence are not recognised. Deferred tax assets and liabilities are not discounted.

17. Accounting for associates

The University accounts for its share of associates using the equity method.

18. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The University has a number of basic financial instruments included on its Balance Sheet with associated income and expense recognised as part of the Consolidated Statement of Income and Expenditure. A financial asset or a financial liability is recognised when the University becomes party to the contractual provisions of the instrument. At inception, they are measured at either transaction price or the discounted present value of the asset or liability subject to the nature of the transaction. Subsequent measurement at each Balance Sheet date will be at cost or amortised cost using the effective interest method and are subject to an annual impairment review as detailed in FRS 102.



Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2023

	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	202,433	201,513	197,369	196,469
Funding body grants	2	42,203	37,170	38,365	33,533
Research grants and contracts	3	9,639	9,822	9,562	9,738
Other income	4	34,293	33,787	32,040	31,378
Investment income	5	3,926	3,694	621	475
Total income		292,494	285,986	277,957	271,593
Expenditure					
Staff costs	6	181,479	177,202	175,281	170,056
Other operating expenses	7	102,183	101,080	86,880	85,950
Depreciation and amortisation	11,12	12,305	12,071	11,681	11,397
Interest and other finance costs	8	1,612	1,549	3,321	3,277
Total expenditure	9a	297,579	291,902	277,163	270,680
Surplus/(Deficit) before other gains/(losses)		(5,085)	(5,916)	794	913
Gain/(loss) on investment property valuation		(205)	(15)	(120)	-
Gain/(loss) on investments		(5)	-	(49)	-
Profit/(loss) on sale of tangible fixed assets		(94)	(33)	1	1
Effect of asset ceiling	25	(72,159)	(72,159)	-	-
Surplus/(Deficit) before tax		(77,548)	(78,123)	626	914
Taxation	10	(450)	(428)	(117)	(101)
Surplus/(Deficit) for the year		(77,998)	(78,551)	509	813
Actuarial gain/(loss) in respect of pension schemes	25	86,190	85,691	152,310	151,542
Total comprehensive income/ (expenditure) for the year		8,192	7,140	152,819	152,355

The accompanying notes form an integral part of these financial statements.

Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2023

	Income and expenditure account	Revaluation reserve	Total
Consolidated			
	<i>Unrestricted</i>		
	£'000	£'000	£'000
Balance at 1 August 2022	243,030	92,145	335,175
Surplus/(deficit) from the income and expenditure statement	(77,998)	-	(77,998)
Other comprehensive income/(expenditure)	86,190	-	86,190
Transfers between revaluation and income and expenditure reserve	2,000	(2,000)	-
Prior year adjustment	6	-	6
Balance at 31 July 2023	253,228	90,145	343,373
	Income and expenditure account	Revaluation reserve	Total
University			
	<i>Unrestricted</i>		
	£'000	£'000	£'000
Balance at 1 August 2022	235,123	91,680	326,803
Surplus/(deficit) from the income and expenditure statement	(78,551)	-	(78,551)
Other comprehensive income/(expenditure)	85,691	-	85,691
Transfers between revaluation and income and expenditure reserve	1,979	(1,979)	-
Balance at 31 July 2023	244,242	89,701	333,943

The accompanying notes form an integral part of these financial statements.

Consolidated and University Statement of Changes in Reserves (continued)

	Income and expenditure account	Revaluation reserve	Total
Consolidated			
	<i>Unrestricted</i>		
	£'000	£'000	£'000
Balance at 1 August 2021	87,580	94,322	181,902
Surplus/(deficit) from the income and expenditure statement	509	-	509
Other comprehensive income/(expenditure)	152,310	-	152,310
Transfers between revaluation and income and expenditure reserve:	2,177	(2,177)	-
Change in treatment on consolidation	454	-	454
Balance at 31 July 2022	<u>243,030</u>	<u>92,145</u>	<u>335,175</u>

	Income and expenditure account	Revaluation reserve	Total
University			
	<i>Unrestricted</i>		
	£'000	£'000	£'000
Balance at 1 August 2021	80,591	93,857	174,448
Surplus/(deficit) from the income and expenditure statement	813	-	813
Other comprehensive income/(expenditure)	151,542	-	151,542
Transfers between revaluation and income and expenditure reserve:	2,177	(2,177)	-
Balance at 31 July 2022	<u>235,123</u>	<u>91,680</u>	<u>326,803</u>

The accompanying notes form an integral part of these financial statements.

Consolidated and University Balance Sheet

	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	11	7,691	7,691	5,499	5,499
Tangible assets	12	336,968	331,244	334,793	328,585
Investments	13	1,720	2,158	1,677	2,158
		<u>346,379</u>	<u>341,093</u>	<u>341,969</u>	<u>336,242</u>
Current assets					
Stock	14	62	29	57	27
Trade and other receivables	15	49,973	49,558	46,318	45,814
Investments	16	46,500	46,500	40,522	40,522
Cash and cash equivalents	21	84,570	78,591	102,437	97,333
		<u>181,105</u>	<u>174,678</u>	<u>189,334</u>	<u>183,696</u>
Less: Creditors amounts falling due within one year	17	89,701	88,147	88,788	87,134
Net current assets		<u>91,404</u>	<u>86,531</u>	<u>100,546</u>	<u>96,562</u>
Total assets less current liabilities		437,783	427,624	442,515	432,804
Creditors: amounts falling due after more than one year	18	86,095	86,095	87,467	87,464
Provisions					
Pension provisions	20	8,315	7,586	19,873	18,537
Total net assets		<u>343,373</u>	<u>333,943</u>	<u>335,175</u>	<u>326,803</u>
Unrestricted Reserves					
Income and expenditure reserve		253,228	244,242	243,030	235,123
Revaluation reserve		90,145	89,701	92,145	91,680
Total Reserves		<u>343,373</u>	<u>333,943</u>	<u>335,175</u>	<u>326,803</u>

The accompanying notes form an integral part of these financial statements

The financial statements on pages 46 to 84 were approved by the Board on 23 November 2023 and were signed on its behalf by:



Dame Sue Ion
Pro-Chancellor and
Chair of the Board



G Baldwin
Vice-Chancellor

Consolidated Cash Flow Statement

Year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		(77,998)	509
Adjustment for non-cash items			
Depreciation	12	11,535	10,926
Amortisation	11	770	755
(Gain)/loss on investments	13	5	49
(Increase)/decrease in stock	14	(5)	(13)
(Increase)/decrease in debtors	15	(2,731)	(16,028)
Increase/(decrease) in creditors	17	823	24,612
Increase/(decrease) in pension provision	25	2,481	15,400
Impact of asset ceiling	25	72,159	-
Increase/(decrease) in other provisions	20	-	(274)
Adjustment for investing or financing activities			
Investment income	5	(3,926)	(621)
Interest payable	8	1,612	3,321
(Profit)/loss on the sale of tangible fixed assets		94	(1)
Capital grant income (deferred grants released)		(2,172)	(2,099)
Revaluation of investment properties	12	205	120
Net cash inflow from operating activities		2,852	36,656
Cash flows from investing activities			
Proceeds from sales of tangible fixed assets		46	1
Capital grants receipts		723	1,226
Investment income		3,002	418
Payments made to acquire intangible fixed assets	11	(2,962)	(2,873)
Payments made to acquire tangible fixed assets	12	(14,056)	(13,091)
Net purchase/(disposal) of investments		(6,026)	(30,284)
		(19,273)	(44,603)
Cash flows from financing activities			
Interest paid		(1,446)	(3,255)
Bank loans received		-	30,000
		(1,446)	26,745
Increase/(decrease) in cash and cash equivalents in the year	21	(17,867)	18,798
Cash and cash equivalents at beginning of the year		102,437	83,639
Cash and cash equivalents at end of the year		84,570	102,437

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 July 2023

	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees				
UK students	118,626	117,706	128,487	127,587
EU students	1,848	1,848	3,233	3,233
International students	78,932	78,932	63,168	63,168
Education contracts	3,027	3,027	2,481	2,481
	202,433	201,513	197,369	196,469
2 Funding body grants				
Recurrent grant				
Office for Students	14,972	14,972	14,413	14,413
Research England	7,444	7,444	5,480	5,480
Education & Skills Funding Agency	14,225	9,192	12,563	7,731
Specific grants				
Selective initiatives	856	856	2,138	2,138
Higher Education Innovation Fund	3,424	3,424	2,571	2,571
Capital grant	1,282	1,282	1,200	1,200
	42,203	37,170	38,365	33,533
3 Research grants and contracts				
Research Council	1,116	1,116	1,184	1,184
UK charities	663	846	845	1,021
UK Government and other bodies	3,787	3,787	3,872	3,872
UK industry and commerce	642	642	568	568
EU Government and other bodies	2,771	2,771	2,450	2,450
Other	491	491	474	474
Capital Grant	169	169	169	169
	9,639	9,822	9,562	9,738
4 Other income				
Residences, catering, conferences	7,134	7,076	5,919	5,860
Education and knowledge exchange	11,194	11,194	9,506	9,506
Overseas validated partners	7,676	7,676	8,061	8,061
UK validated partners	2,639	2,639	2,968	2,968
Other capital grants	719	719	730	730
Rental income	874	559	766	457
Commercial income	835	-	728	-
Other income	3,222	3,924	3,362	3,796
	34,293	33,787	32,040	31,378

Other income generating activity above includes £428k (2022: £305k) Turing Scheme grant funding received for the purpose of providing international opportunities to students in education across the world.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Note: The source of grant and fee income included in notes 1-4 above is as follows:				
Grant income from the OfS	16,602	16,602	16,726	16,726
Grant income from other bodies	25,601	20,568	21,639	16,807
Fee income for taught awards (exclusive of VAT)	200,218	199,298	195,995	195,095
Fee income for research awards (exclusive of VAT)	2,215	2,215	1,374	1,374
Fee income from non-qualifying courses (exclusive of VAT)	3,739	3,739	2,218	1,318
Total grant and fee income	248,375	242,422	237,952	231,320

5 Investment income

Other investment income	3,926	3,694	621	475
	3,926	3,694	621	475

6 Staff costs

Salaries	139,702	137,405	125,986	121,292
Social security costs	13,983	12,930	12,914	12,551
Pension costs	27,138	26,234	35,794	35,631
Apprenticeship levy	656	633	587	582
Total costs	181,479	177,202	175,281	170,056

Staff costs above include severance costs of £4.7m relating to 115 persons (2022: £1.2m relating to 35 persons).

Emoluments of the Head of Institution

	2023 £'000	2022 £'000
Vice-Chancellor – Professor G Baldwin		
Salary	296	284
	296	284

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

6 Staff costs (continued)

The University of Central Lancashire is one of the UK's largest universities, with a turnover of £292m per annum and over 35,000 students learning and engaging with the University across a number of UK and overseas campuses. In Preston the University is a major civic institution, employing more than 3,000 people, offering learning opportunities and partnerships for a significant proportion of the population and local businesses. In setting the Vice-Chancellor's salary the University is also mindful that Preston is in the county of Lancashire, which has a number of economic challenges to face, including a rural economy, unemployment and a growing elderly population. The county lacks some of the high value financial and professional service sectors that would bring wealth and higher salaries into the region. Average earnings therefore tend to be below the national average.

The salary of the Vice-Chancellor is benchmarked against local providers and the national average. The role of the Vice-Chancellor is to head a large and complex organisation which delivers accessible education for many students for whom University may not be an obvious choice. A significant proportion of students come from the local area, and graduate with skills which feed into local workforce development and contribute to the regional economy as many choose to remain local. The wide ranging curriculum requires a Vice-Chancellor able to engage with the NHS, with industry, with other educators, with local and national government and with regulatory bodies and the salary recognises those attributes, without being above national or local benchmarks. The contribution that the University makes to its students and staff, to the local regional economy, and to the taxpayer more generally is a key objective for the Vice-Chancellor and a contributing factor to their pay level.

The periodic review of the salary by the Remuneration Committee also considers the performance of the Vice-Chancellor against relevant appraisal targets. It should also be noted that the Vice-Chancellor's current remuneration comprises salary only, with no additional benefits (such as house, car, pension etc.). The pay ratio of the total remuneration of the Vice-Chancellor compared to the median of staff is 6.1 (2022: 6.3). The Vice-Chancellor's salary increase matches that of the National Pay Award for the Higher Education sector (3% for 2022/23 award, 5% 2023/24 award of which 2% was paid from February 2023).

As to the decision making process, the Terms of Reference of the Remuneration Committee provide that the Committee shall comprise of at least 3 independent Members of the Board. Additionally, during the consideration of Senior Executive remuneration issues, the Board member nominated by the Students' Union is also a member of the Committee. The Vice-Chancellor is not a member of the Committee and attends meetings by invitation only in order to report on the performance of other staff. The Committee has also commissioned independent remuneration specialists to provide advice and assistance on senior pay and related issues.

Pay ratio of the Head of Institution compared to the median pay of staff	2023	2022
	Pay multiple	Pay multiple
Basic salary of the Vice-Chancellor compared to the median of staff	7.5	7.6
Total remuneration of the Vice-Chancellor compared to the median of staff	6.1	6.3

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

6 Staff costs (continued)

Basic salary of higher paid staff, excluding employer's pension contributions:

	Number	Number
£100,000 to £104,999	5	9
£105,000 to £109,999	6	3
£110,000 to £114,999	3	1
£115,000 to £119,999	2	2
£120,000 to £124,999	3	2
£125,000 to £129,999	2	-
£130,000 to £134,999	1	1
£140,000 to £144,999	-	3
£150,000 to £154,999	3	1
£160,000 to £164,999	1	-
£175,000 to £179,999	-	1
£180,000 to £184,999	2	-
£280,000 to £284,999	-	1
£295,000 to £299,999	1	-
	29	24

No compensation recorded within staff costs in the year related to senior post holders (2022: £451k relating to 2 senior post holders).

	2023	2022
	FTE	FTE
Average staff numbers by major category :		
Academic	1,816	1,747
Academic Support	509	444
Administration & Central Services	528	527
Premises	188	179
Other	127	128
	3,168	3,025

	£'000	£'000
Key management personnel costs	1,720	2,248

The number of staff whose costs are included in key management personnel costs above was 8 (2022: 10). Key management personnel are classed as those staff who form part of the University's Vice-Chancellor's Group who have authority and responsibility for planning, directing and controlling the activities of the University.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Other operating expenses				
Utilities	14,019	13,762	10,380	10,118
International student recruitment	12,268	12,193	9,437	9,394
Student bursaries and expenses	11,168	11,156	7,681	7,673
Consultancy and professional services	9,561	9,169	7,867	7,580
Repairs and general maintenance	7,614	7,465	8,003	7,871
Software and other licences	6,655	6,526	5,436	5,373
Placements/educational visits	5,754	5,754	4,739	4,739
Residences, catering and conference expenses	4,911	4,847	3,674	3,619
Consumables and laboratory expenditure	3,797	3,430	3,778	3,470
Travel, subsistence and conference fees	3,524	3,402	2,161	2,086
Academic learning materials	2,759	2,750	2,766	2,766
Advertising and publicity	2,710	2,666	2,497	2,438
Furniture and equipment	2,684	2,635	3,056	3,040
Subscriptions and donations	2,660	3,509	2,517	3,346
Rents, rates and other premises costs	2,354	2,095	2,752	2,469
Franchised courses	2,354	2,354	2,815	2,815
Charge for bad and doubtful debt	2,019	1,819	1,252	1,096
Grants to Student's Union	1,360	1,360	1,320	1,320
Other expenses	4,012	4,188	4,749	4,737
	102,183	101,080	86,880	85,950

Other operating expenses above include:

External auditor's remuneration: audit related fees	217	120	152	96
External auditor's remuneration: audit related fees on overseas subsidiary entities	13	-	19	-
External auditor's remuneration: tax services	4	-	-	-
External auditor's remuneration: advisory services	21	21	21	21
External auditor's remuneration: assurance services	30	30	58	58
Internal auditor's remuneration: audit and other services	82	82	75	75

The overseas subsidiary entities are audited by separate legal entities to the auditor of the remainder of the University Group, KPMG LLP¹, although remaining within the KPMG global network.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Interest and other finance costs				
Loan interest	1,064	1,052	707	707
Net charge on pension scheme	548	497	2,614	2,570
	1,612	1,549	3,321	3,277
9a Analysis of total expenditure by activity				
Academic and related expenditure	146,308	142,574	130,919	122,822
Academic support services	26,944	27,401	24,604	26,497
Administration and central services	66,729	64,732	57,640	53,699
Premises (including service concession cost)	32,483	32,042	27,728	26,986
Residences, catering and conferences	5,260	5,205	4,376	4,430
Research grants and contracts	6,893	6,902	6,843	9,611
Other expenses	12,962	13,046	25,053	26,635
	297,579	291,902	277,163	270,680
9b Access and Participation				
Access Investment	1,274	1,372	1,014	1,156
Financial Support	6,446	6,337	5,974	5,926
Disability Support	1,466	1,466	1,340	1,340
Research and Evaluation	147	147	156	156
	9,333	9,322	8,484	8,578

£2,750k (2022: £2,402k) of these costs are already included in the overall staff costs figures included in the financial statements (see note 6).

The University has published its access and participation plans online:
www.uclan.ac.uk/values-and-initiatives/widening-participation

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Taxation				
Current tax expense recognised in the statement of comprehensive income	450	428	117	101
	450	428	117	101

11 Intangible assets

Software

	Consolidated £'000	University £'000
Cost		
At 1 August 2022	6,521	6,521
Additions in the year	2,962	2,962
At 31 July 2023	9,483	9,483
Amortisation		
At 1 August 2022	1,022	1,022
Charge for the year	770	770
At 31 July 2023	1,792	1,792
Net Book Value		
At 31 July 2023	7,691	7,691
At 31 July 2022	5,499	5,499

The additions during the year relate to both the ongoing purchase and internal development of software intangible assets. The amortisation period is 5 years from the date of initial use of the completed asset.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

12 Tangible Assets

Consolidated	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Investment Properties	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 August 2022	385,459	58,106	1,271	1,275	446,111
Additions	4,395	4,527	5,134	-	14,056
Revaluation	-	-	-	(205)	(205)
Disposals	(27)	(671)	-	(75)	(773)
Transfers	(164)	1,183	(1,019)	-	-
At 31 July 2023	389,663	63,145	5,386	995	459,189
Depreciation					
At 1 August 2022	62,627	48,691	-	-	111,318
Charge for the year	7,300	4,235	-	-	11,535
Disposals	(15)	(617)	-	-	(632)
Transfers	-	-	-	-	-
At 31 July 2023	69,912	52,309	-	-	122,221
Net book value					
At 31 July 2023	319,751	10,836	5,386	995	336,968
At 31 July 2022	322,832	9,415	1,271	1,275	334,793

At 31 July 2023, consolidated freehold land and buildings included £24,478k (2022 - £24,478k) in respect of freehold land which is not depreciated.

University

Cost or valuation

At 1 August 2022	376,194	55,719	1,271	225	433,409
Additions	4,394	4,526	5,134	-	14,054
Revaluation	-	-	-	(15)	(15)
Disposals	-	(189)	-	(75)	(264)
Transfers	(164)	1,183	(1,019)	-	-
At 31 July 2023	380,424	61,239	5,386	135	447,184

Depreciation

At 1 August 2022	57,796	47,028	-	-	104,824
Charge for the year	7,174	4,127	-	-	11,301
Disposals	-	(185)	-	-	(185)
At 31 July 2023	64,970	50,970	-	-	115,940

Net book value

At 31 July 2023	315,454	10,269	5,386	135	331,244
At 31 July 2022	318,398	8,691	1,271	225	328,585

At 31 July 2023, University freehold land and buildings included £23,992k (2022 - £23,992k) in respect of freehold land which is not depreciated.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

13 Non-Current Investments

	Subsidiary companies	Other fixed assets investments	Total
Consolidated	£'000	£'000	£'000
At 1 August 2022	-	1,677	1,677
Additions	-	326	326
Fair value adjustments	-	(5)	(5)
Disposals	-	(278)	(278)
At 31 July 2023	-	1,720	1,720
University			
At 1 August 2022	1,849	309	2,158
Additions	-	-	-
Disposals	-	-	-
At 31 July 2023	1,849	309	2,158

Associate	Proportion held by the University	Share of net assets / (liabilities)	
Name of Associate		2023 £'000	2022 £'000
UCLan Cyprus Limited	51%		
Balance as at 1 August		-	-
Losses in year		(1,966)	(2,041)
Advances to associate made in year		642	452
Provision		(642)	(452)
Write back losses in excess of investment *		1,966	2,041
Balance as at 31 July		-	-

* In accordance with Section 14.8 (h) of FRS102 losses in excess of investment have not been recognised.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

13 Non-Current Investments (continued)

Investment in subsidiaries

The subsidiary companies, wholly-owned or effectively controlled by the University, are as follows:

Subsidiary undertakings	Percentage of issued shares held	Country of operation and incorporation	Principal activity
Owned by University			
Centralan Holdings Limited	100%	Great Britain	Holding company
Delonore Limited	100%	Cyprus	Holding company
Training 2000 Limited	100%*	Great Britain	Education and training
UCLan Community Dentists Limited	100%*	Great Britain	Dental Clinic
Westlakes Research Limited	100%*	Great Britain	Research
UCLan Professional Services Limited	100%*	Great Britain	Professional services
<i>*Limited by guarantee</i>			
Owned by Centralan Holdings Limited			
UCLan Business Services Limited	100%	Great Britain	Consultancy and training
UCLan (Overseas) Limited	100%	Great Britain	Overseas activities
Owned by UCLan (Overseas) Limited			
UCLan Cyprus Limited	51%	Cyprus	Higher education
UCLan (HK) Limited	100%	Hong Kong	Holding company
UCLan Lanka (Private) Limited	100%	Sri Lanka	Holding company
UCLan (Thailand) Company Limited	49%	Thailand	Investment
Owned by UCLan (HK) Limited			
UCLan Technology (Shenzhen) Limited	100%	China	Research

The University's subsidiaries Centralan Holdings Limited and UCLan Community Dentists Limited are exempt from audit, per section 479A of the Companies Act. The University has given written undertakings to support the subsidiary companies for a minimum of 12 months from the date of approval of these financial statements.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

14 Stock

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	<u>62</u>	<u>29</u>	<u>57</u>	<u>27</u>
	62	29	57	27

15 Trade and other receivables

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Other trade receivables	26,275	26,067	24,469	24,952
Other receivables	1,778	1,773	1,360	963
Prepayments and accrued income	21,920	20,906	20,489	19,570
Amounts due from subsidiary companies	-	812	-	329
	<u>49,973</u>	<u>49,558</u>	<u>46,318</u>	<u>45,814</u>

16 Current Investments

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	<u>46,500</u>	<u>46,500</u>	<u>40,522</u>	<u>40,522</u>
	46,500	46,500	40,522	40,522

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

17 Creditors: amounts falling due within one year

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred capital grants	2,168	2,168	2,080	2,080
Annual leave accrual	6,509	6,389	5,676	5,548
Trade payables	5,256	5,171	8,188	7,647
Social security and other taxation payable	7,421	7,006	6,800	6,512
Accruals and deferred income	66,953	65,671	61,376	60,455
Group creditors	-	671	-	433
Other creditors	1,394	1,071	4,668	4,459
	<u>89,701</u>	<u>88,147</u>	<u>88,788</u>	<u>87,134</u>

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

18 Creditors : amounts falling due after more than one year

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred capital grants	55,775	55,775	57,312	57,309
Secured loans	30,320	30,320	30,155	30,155
	86,095	86,095	87,467	87,464
Analysis of secured and unsecured loans:				
Due within one year (Note 17)	-	-	-	-
Due between one and two years	-	-	-	-
Due between two and five years	-	-	-	-
Due in five years or more	30,320	30,320	30,155	30,155
Due after more than one year	30,320	30,320	30,155	30,155
Total secured and unsecured loans	30,320	30,320	30,155	30,155

19 Financial instruments

	2023		2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial assets measured at cost less impairment:				
Cash and cash equivalents	84,570	78,591	102,437	97,333
Investments (non-current)	1,720	2,158	1,677	2,158
Investments (current)	46,500	46,500	40,522	40,522
Trade and other receivables	49,973	49,558	25,829	26,244
	182,763	176,807	170,465	166,257
Financial liabilities measured at amortised cost:				
Loans	30,320	30,320	30,155	30,155
Trade and other payables	5,256	5,171	8,188	7,647
	35,576	35,491	38,343	37,802

The principal financial instruments are cash and investments. Additionally, there are financial assets and liabilities arising directly from operations, for example trade debtors and trade creditors. Financial risk is managed through the Treasury Management Group that sets and oversees investment and treasury policy.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

20 Provisions for liabilities

	At 1 August 2022	Utilised in year	Additions in year	At 31 July 2023
Consolidated and University	£'000	£'000	£'000	£'000
Obligation to fund deficit on USS pension	3,895	(1,038)	34	2,891
Pension enhancements on termination	5,061	(427)	61	4,695
Defined benefit obligations (Note 25)	9,581	(9,581)	-	-
Total provisions - University	<u>18,537</u>	<u>(11,046)</u>	<u>95</u>	<u>7,586</u>
Subsidiary pension provision	1,336	(607)	-	729
Total provisions - Consolidated	<u>19,873</u>	<u>(11,653)</u>	<u>95</u>	<u>8,315</u>

USS deficit

The obligation to fund the past deficit on the Universities' Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payments over the period of the contracted obligation in assessing the value of this provision.

21 Cash and cash equivalents

	At 1 August 2022	Cash flows	At 31 July 2023
	£'000		
Consolidated	<u>102,437</u>	<u>(17,867)</u>	<u>84,570</u>
University	<u>97,333</u>	<u>(18,742)</u>	<u>78,591</u>

22 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2023:

	2023		2022	
	Consolidated	University	Consolidate	University
	£'000	£'000	£'000	£'000
Commitments contracted for	<u>37,352</u>	<u>37,352</u>	<u>5,903</u>	<u>5,903</u>
	<u>37,352</u>	<u>37,352</u>	<u>5,903</u>	<u>5,903</u>

23 Contingent Liabilities

The University Group has given written undertakings to support several of its subsidiary undertakings.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

24 Lease obligations

Total rentals payable under operating leases:

	Land and buildings £'000	Plant and machinery £'000	2023 Total £'000	2022 Total £'000
--	--------------------------------	---------------------------------	------------------------	------------------------

Consolidated

Payable during the year	1,270	331	1,601	1,428
Future minimum lease payments due:				
Not later than one year	122	51	173	1,688
Later than one year and not later than five years	282	121	403	294
Later than five years	4,420	-	4,420	4,145
Total lease payments due	4,824	172	4,996	6,127

University

Payable during the year	1,306	290	1,596	1,315
Future minimum lease payments due:				
Not later than one year	167	22	189	1,697
Later than one year and not later than five years	545	49	594	526
Later than five years	630	-	630	756
Total lease payments due	1,342	71	1,413	2,979

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes

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

- Teachers' Pension Scheme (TPS)
- Local Government Pension Scheme (LGPS)
- Universities' Superannuation Scheme (USS)
- The Training 2000 Limited Retirement and Death Benefit Scheme (T2K)
- A defined contribution (DC) scheme operated by Royal London (RL)
- A DC scheme operated by Scottish Widows (SW)

TPS is an unfunded defined benefit pension scheme where contributions payable are credited to the Exchequer and a notional set of investments maintained. The pension cost is assessed every five years by the Government Actuary. Membership is open to all academic staff of the University.

LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. All non-academic staff employed by the University prior to 31 July 2021 were eligible to join the scheme.

The University has a strictly limited membership of the Universities' Superannuation Scheme (USS) to cover a small number of staff who have transferred from other institutions where they were already members of that scheme.

Since August 2021, new employees of the University Group other than academic staff have been employed by UCLan Professional Services Limited (UPSL). The DC scheme operated by Royal London (RL) is open to these staff.

Training 2000 Limited staff employed before 1 November 2006 were eligible to join the T2K scheme.

The DC scheme operated by Scottish Widows (SW) is open to staff of Training 2000 Limited who started after the closure of the T2K scheme.

(i) The Universities' Superannuation Scheme

The institution participates in the Universities' Superannuation Scheme. 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 defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure 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 Recovery Plan (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated Statement of Comprehensive Income and Expenditure.

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 the 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 Trustees are satisfied that the 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.

Pension costs

The total cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is (£1,255k) (2022: £2,739k) and deficit recovery contributions due within one year for the University are £227k (2022: £201k). The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), which was carried out using the projected unit method. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole. The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the [Statement of Funding Principles](#).

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

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

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

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

The current life expectancies on retirement at age 65 are:

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

A 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 to 31 March 2024, increasing to 6.3% thereafter. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023 % pa	2022 % pa
Discount rate	5.49	0.89
Pensionable salary growth	3.89	3.60

(ii) Local Government Pension Scheme

(Retirement benefits) disclosure for the accounting period ending 31 July 2023

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2022 by a professionally qualified actuary. During the accounting period, the total contribution was £9,337k, of which employer's contributions totalled £6,746k and employee's contributions totalled £2,591k. With effect from 1 April 2017 the agreed contribution rate was 14.3% for the University and moved to a sliding scale for employees, ranging from 5.5% to 12.5% dependant on salary. Following the triennial valuation, the University's contribution rate increased to 18.0% with effect from 1 April 2023 and will increase to 19.2% from 1 April 2024 and 20.4% from 1 April 2025.

Assumptions

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

	2023 % pa	2022 % pa
Price inflation (CPI)	2.70	2.70
Rate of increase in salaries	4.20	4.20
Rate of increase of pensions in payment	2.80	2.80
Discount rate	5.10	3.50

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 (female) members at age 65:

	2023	2022
Future pensioner age 65 in 20 years' time (years)	22.2 (25.2)	22.8 (25.9)
Current pensioner aged 65 (years)	21.0 (23.4)	21.9 (24.6)

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

As a result of significant gains arising from the change in financial assumptions, the balance of the University's assets in the scheme exceeds the liabilities associated with the funded defined benefit obligation, giving rise to a surplus. FRS 102 allows an asset to be recognised for a defined benefit scheme in surplus only in so far as there is a realisable value in the asset. The maximum realisable value is the asset ceiling.

The value of the asset ceiling has been determined in line with the requirements of FRS 102, taking into account that the University does not have an inherent right to a refund from the scheme but may be able to recognise a surplus arising from the economic value of potential future reduced contributions. The asset ceiling is the maximum realisable value arising from the existence of a surplus and has been calculated as the net present value of future service costs less the net present value of future contributions payable.

As the current contribution rate (even after discounts have been applied) is currently greater than the projected future service cost, there is no realisable economic value currently and the asset ceiling is nil. No surplus has therefore been recognised.

Scheme assets and expected rate of return for LGPS

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	2023		2022	
	£'000		£'000	
Equities	180,764	48.4%	169,043	47.2%
Government bonds	1,494	0.4%	-	-
Other bonds	-	-	15,758	4.4%
Property	35,480	9.5%	39,038	10.9%
Cash/liquidity	2,241	0.6%	5,731	1.6%
Other	153,499	41.1%	128,572	35.9%
Total	373,478		358,142	
Actual return on plan assets	2.1%		8.4%	

Analysis of the amount shown in the balance sheet for LGPS pensions:

	2023	2022
	£'000	£'000
Scheme assets	373,478	358,142
Scheme liabilities	(301,319)	(367,723)
Asset ceiling	(72,159)	-
Deficit in the scheme - net pension liability recorded within pension provisions (Note 20)	-	(9,581)
Current service cost	9,705	17,321
Past service cost	-	-
Curtailments and administration expenses	414	483
Total operating charge:	10,119	17,804
Analysis of the amount charged to interest payable/credited to other finance income for LGPS		
Interest cost	(12,774)	(7,545)
Expected return on assets	12,543	5,227
Net charge to other finance income	(231)	(2,318)

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

Analysis of other comprehensive income for LGPS pension:

	2023 £'000	2022 £'000
Gain/(loss) on assets	2,231	24,919
Gain/(loss) on assumptions	83,460	126,623
Total other comprehensive income before deduction for tax	85,691	151,542
Effect of asset ceiling	(72,159)	-
	13,532	151,542

History of experience gains and losses - LGPS pensions

	2023	2022	2021	2020	2019
Difference between expected and actual return on assets					
Amount £'000	2,231	24,919	35,208	(10,033)	30,100
% of assets at end of year	0.6%	7.0%	10.8%	3.5%	10.6%

Experience (gains)/losses on scheme liabilities

Amount £'000	83,460	126,623	(3,715)	54,146	25,092
% of liabilities at end of year	27.7%	34.4%	0.8%	12.1%	06.7%

Analysis of movement in surplus/(deficit) for LGPS pension

	2023 £'000	2022 £'000
(Deficit) at beginning of year	(9,581)	(148,023)
Contributions or benefits paid by the University	6,746	7,022
Current service cost (inc. admin expenses and curtailments)	(10,119)	(17,804)
Other finance charge	(231)	(2,318)
Prior year adjustment	(347)	-
Gain/(loss) recognised in other comprehensive income	85,691	151,542
Asset ceiling	(72,159)	-
Surplus/(deficit) at end of year	-	(9,581)

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

Analysis of movement in the present value of LGPS liabilities

	2023 £'000	2022 £'000
Present value of LGPS liabilities at the start of the year	367,723	473,791
Current service cost (net of member contributions)	9,888	17,562
Interest on pension liabilities	12,774	7,545
Actual member contributions (including notional contributions)	2,591	2,689
Actuarial (gain)/loss	(83,460)	(126,623)
Actual benefit payments	(8,197)	(7,241)
Present value of LGPS liabilities at the end of the year	301,319	367,723

Analysis of movement in the fair value of scheme assets

	2023 £'000	2022 £'000
Fair value of assets at the start of the year	358,142	325,768
Interest on plan assets (includes admin expenses)	12,312	4,985
Actuarial gain/(loss) on assets	2,231	24,919
Actual contributions paid by University	6,746	7,022
Prior year adjustment	(347)	-
Actual member contributions (including notional contributions)	2,591	2,689
Actual benefit payments	(8,197)	(7,241)
Fair value of scheme assets at the end of the year	373,478	358,142

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

Actual return on scheme assets

	2023 £'000	2022 £'000
Expected return on Scheme assets	12,543	5,227
Asset gain/(loss)	2,231	24,919
	14,774	30,146

The estimated contributions for LGPS in the financial year 2023/24 are £6.8m.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

(iii) Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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 - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 5 March 2019. The key result of the valuation is that, with effect from September 2019, employer contribution rates increased from 16.4% to 23.6% of pensionable pay, in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration.

(iv) Training 2000 Limited Retirement and Death Benefit Scheme

The following calculations as at 31 July 2022 have been provided by the scheme actuaries using the projected unit actuarial cost method.

Principal actuarial assumptions used by the actuary were as follows:

	2023	2022
	%	%
Rate of inflation	3.1	3.2
Rate of increase in pensions	3.1	3.1
Discount rate	5.1	3.4
Mortality rates for current and future pensioners	115% SP3A model 2022 with a long term rate of improvement of 1.25% pa	115% S2PA model 2021 with a long term rate of improvement of 1.25% pa

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

The amounts recognised in the consolidated balance sheet are as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	(5,303)	(6,475)
Fair value of plan assets	4,574	5,139
	<hr/> (729) <hr/>	<hr/> (1,336) <hr/>
Net pension deficit		

Analysis of amounts charged to the consolidated statement of comprehensive income and expenditure:

Other finance costs:

Expected return on pension scheme assets	(173)	(89)
Interest on pension scheme liabilities	216	121
	<hr/> 43 <hr/>	<hr/> 32 <hr/>
Net pension cost		

Analysis of the actuarial gains and losses shown in the consolidated statement of comprehensive income and expenditure:

Actuarial gains/(losses) on assets	(641)	(789)
Actuarial gains/(losses) on liabilities	1,140	1,557
	<hr/> 499 <hr/>	<hr/> 768 <hr/>
Actuarial gain recognised		

Changes in the fair value of the defined benefit obligation are as follows:

Opening defined benefit obligation	6,475	8,234
Interest on pension scheme liabilities	216	121
Past service cost	-	-
Actuarial (gains)/losses	(1,140)	(1,557)
Benefits / transfers paid	(249)	(323)
	<hr/> 5,302 <hr/>	<hr/> 6,475 <hr/>
Closing defined benefit obligation		

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	5,139	6,019
Expected return on plan assets	173	89
Actuarial gains/(losses)	(641)	(789)
Employer contributions	160	155
Expenses paid	(8)	(12)
Benefits / transfers paid	(249)	(323)
	<hr/> 4,574 <hr/>	<hr/> 5,139 <hr/>
Closing fair value of plan assets		

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

25. Pension schemes (continued)

The split of assets between investment categories is as follows:

	2023 £'000	2023 %	2022 £'000	2022 %
Equities	2,339	51.1	1,403	27.3
Cash/liquidity	156	3.4	167	3.3
Other	2,079	45.5	3,569	69.4
	4,574		5,139	

Amounts for current and previous years:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Defined benefit obligations	(5,302)	(6,475)	(8,234)	(8,437)	(7,769)
Plan assets	4,574	5,139	6,019	5,687	5,381
	(728)	(1,336)	(2,215)	(2,750)	(2,388)

The cumulative amount of actuarial losses recognised since 1 August 2005 is £492k.

Scheme assets as at 31 July 2023 have been valued at bid price.

Following the closure of the scheme on 1 November 2006 the only future contributions are recovery plan payments made by the employer towards past service costs. Following the conclusion of the scheme actuarial valuation as at 31 July 2017 the trustees agreed to increase deficit funding contributions going forward, with contributions set at £160k for the year ended 31 July 2023 and increasing at 3% per annum thereafter (2022: £155k)

(v) Defined Contribution Schemes

A defined contribution plan is a post-employment benefit plan under which the employer 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.

The total amount reported in the financial statements as expense on defined contribution pension schemes is £974k (2022: £285k), of which £186k relates to the Scottish Widows scheme (2022: £137k) and £788k to the Royal London scheme (2022: £148k).

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

26 Accounting estimates and judgements

Tangible fixed assets - land and buildings

Some of the University's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings acquired up to the date of the last valuation are included in the Balance Sheet at depreciated replacement cost or, where in the opinion of the University's valuers there is a readily available market for a property, at the market valuation. Land and buildings acquired after the date of the last valuation are included at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the institution of 50 years. Leasehold buildings are amortised over 50 years or, if shorter, the life of the lease.

All fixed assets are reviewed for indicators of impairment and revalued if any are found to exist.

Bad debt policy

The trade receivables balance recorded in the Balance Sheet comprises a large number of relatively small balances. An allowance is made for the estimated irrecoverable amounts from debtors, referred to as a bad debt provision, and this is determined by reference to past experience of the recoverability of differing types of debt.

Pensions

Pension provisions for defined benefit obligations and pension enhancements on termination are calculated using assumptions deemed to be the most appropriate for the scheme and are based on advice from the scheme actuary. The provision relating to the USS deficit recovery plan is calculated using assumptions considered appropriate after consideration of salary inflation and changes in membership of the scheme over the recovery period, and a discount rate based on advice from a qualified actuary.

Long term liabilities

In December 2021 the University entered into a sale and leaseback agreement with Canada Life in respect of a portion of the University's property portfolio. As part of this arrangement the University received a premium of £30m and is required to make rental payments over 40 years that increase at a variable rate of interest. As there is no change to the risks and benefits from ownership of the properties as a result of this arrangement, it has been determined that the substance of this arrangement is a secured debt finance agreement and it has therefore been treated as such. In this treatment it has been necessary to make an assumption on the rate of interest applicable to this agreement (RPI) and this has been done using Office for Budgetary Responsibility (OBR) forecasts, the most recent of which at the time of writing was published in March 2023.

27 Related parties

The University Board members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Board, 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 Board may have an interest. All transactions involving organisations in which a member of the Board may have an interest, including those identified below, are conducted at arms-length and in accordance with the University's Financial Regulations and usual procurement procedures. No transactions were identified which were required to be disclosed.

No Board member has received any remuneration/waived payments from the Group during the year in their capacity as a Board member (2022: none).

The total expenses paid to or on behalf of 5 Board members was £921 (2022: £995). This represents travel and subsistence expenses incurred in attending meetings and events in their official capacity. In addition, costs of £26,400 (2022: £26,400) were paid for the provision of administrative support to the Chair of the Board.

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

28 US Department of Education Financial Responsibility Supplementary Schedule

In satisfaction of its obligations to facilitate students' access to 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 schedule 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);
- Presented in pounds sterling (GBP).

Notes to the Financial Statements

Year ended 31 July 2023 (continued)

The schedule sets out how each amount disclosed has been derived from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and cannot be relied upon to comply with the requirements of accounting principles generally accepted in the United States of America.

Page	Statement / Note reference	Expendable Net Assets	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
46	Balance Sheet - Total Reserves	Net assets without donor restrictions		343,373		335,175
N/A	N/A	Net assets with donor restrictions		0		0
58	Note 15 - Amounts due from subsidiary companies	Secured and unsecured related party receivable	0		0	
58	Note 15 - Amounts due from subsidiary companies	Unsecured related party receivable		0		0
46	Balance Sheet - Tangible assets	Property, plant and equipment net (includes construction in progress)	336,968		334,793	
55	Note 12 - Net book value at 31 July 2022 less depreciation and disposals	Property, plant and equipment - pre-implementation		322,912		286,144
55	Note 12 - Additions (excluding for assets in the course of construction) funded by debt	Property, plant and equipment - post-implementation with outstanding debt for original purchase		8,922		11,735
55	Note 12 - Additions (excluding for assets in the course of construction) not funded by debt	Property, plant and equipment - post-implementation without outstanding debt for original purchase		0		35,550
55	Note 12 - Assets in the course of construction - additions	Construction in progress		5,134		1,364
N/A	N/A	Lease right-of-use asset, net	0		0	
N/A	N/A	Lease right-of-use asset pre-implementation		0		0
N/A	N/A	Lease right-of-use asset post implementation		0		0
46	Balance Sheet - Intangible assets	Intangible assets - goodwill		0		0
46	Balance Sheet - Intangible assets	Intangible assets - other intangible assets		7,691		5,499
46	Balance Sheet - Pension provisions	Post-employment and pension liabilities		8,315		19,873
60	Note 19 - Loans	Long-term debt - for long-term purposes	30,320		30,155	
60	Note 19 - Loans	Long-term debt - for long-term purposes pre-implementation		0		0

Notes to the Financial Statements
Year ended 31 July 2023 (continued)

Page	Statement / Note reference	Expendable Net Assets	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
60	Note 19 - Loans	Long-term debt - for long-term purposes post-implementation		25,185		11,735
60	Note 19 - Loans	Line of credit for construction in process		5,135		1,356
N/A	N/A	Lease right-of-use asset liability	0		0	
N/A	N/A	Pre-implementation right-of-use leases		0		0
N/A	N/A	Post-implementation right-of-use leases		0		0
N/A	N/A	Annuities with donor restrictions		0		0
N/A	N/A	Term endowments with donor restrictions		0		0
N/A	N/A	Life income funds with donor restrictions		0		0
N/A	N/A	Net assets with donor restrictions: restricted in perpetuity		0		0
		Total Expendable Net Assets		21,085		27,847

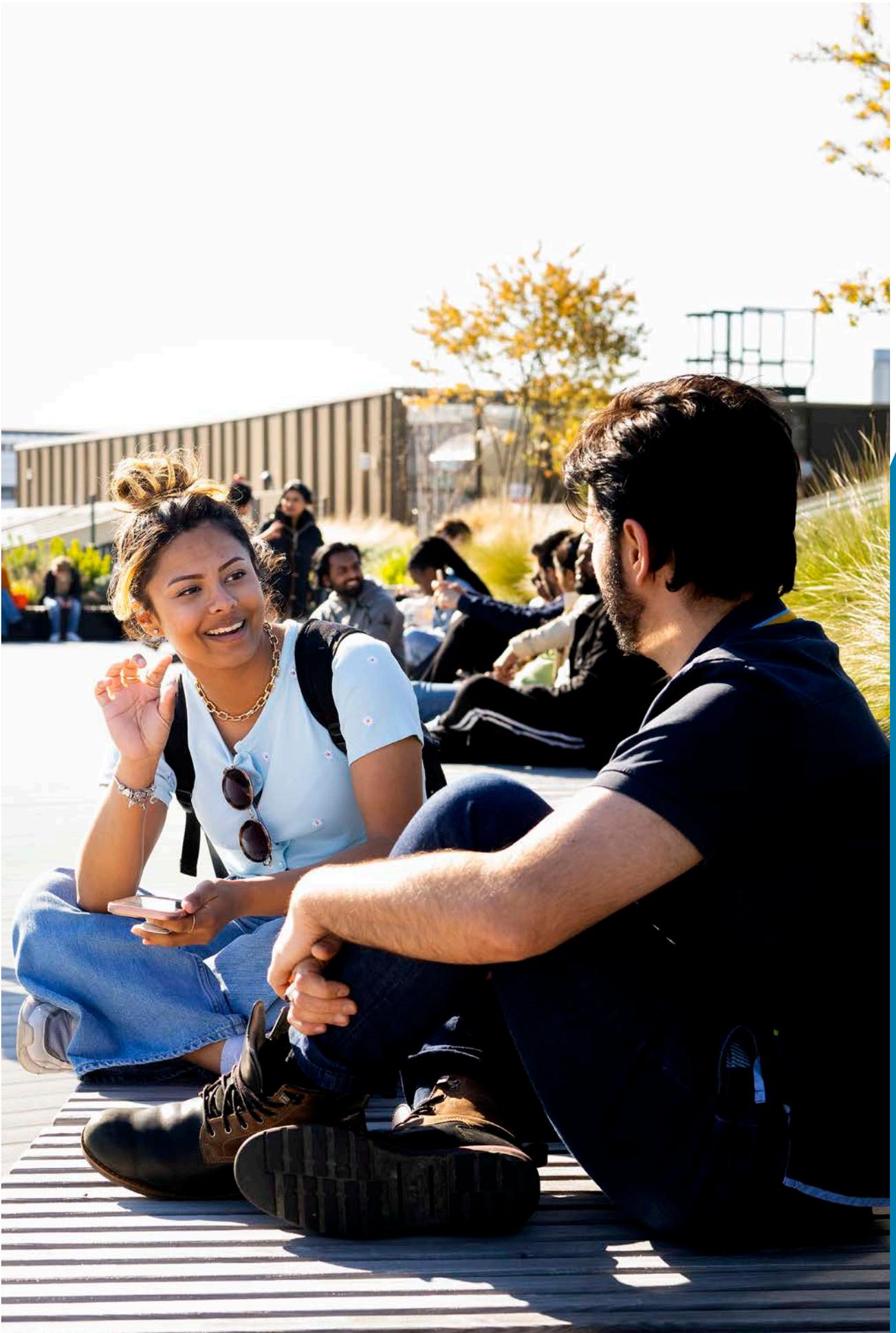
Page	Statement / Note reference	Total Expenses and Losses	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
43	Consolidated Statement of Comprehensive Income - Total expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities		297,579		277,163
43	Consolidated Statement of Comprehensive Income - Losses on investments and revaluation of investment properties less investment income and actuarial gain in respect of pension schemes	Non-operating and net investment loss		(89,906)		(152,762)
43	Consolidated Statement of Comprehensive Income - Loss on investments less investment income	Net investment losses		(3,921)		(572)
43	Consolidated Statement of Comprehensive Income - Actuarial gain/(loss) in respect of pension schemes	Pension-related changes other than net periodic costs		86,190		152,310
		Total Expenses and Losses		297,784		276,139

Notes to the Financial Statements
Year ended 31 July 2023 (continued)

Page	Statement / Note reference	Modified Net Assets	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
43	Balance Sheet - Total reserves	Net assets without donor restrictions		343,373		335,175
N/A	N/A	Net assets with donor restrictions		0		0
43	Balance Sheet - Intangible assets	Intangible assets - goodwill		0		0
58	Note 15 - Amounts due from subsidiary companies	Secured and unsecured related party receivable	0		0	
58	Note 15 - Amounts due from subsidiary companies	Unsecured related party receivable		0		0
		Total Modified Net Assets		343,373		335,175

Page	Statement / Note reference	Modified Assets	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
43	Balance Sheet - Total non-current assets plus total current assets	Total assets		527,484		531,303
N/A	N/A	Lease right-of-use asset pre-implementation		0		0
N/A	N/A	Pre-implementation right-of-use leases		0		0
43	Balance Sheet - Intangible assets	Intangible assets - goodwill		0		0
58	Note 15 - Amounts due from subsidiary companies	Secured and unsecured related party receivable	0		0	
58	Note 15 - Amounts due from subsidiary companies	Unsecured related party receivable		0		0
		Total Modified Assets		527,484		531,303

Page	Statement / Note reference	Net Income Ratio	Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
43	Consolidated Statement of Comprehensive Income - Total comprehensive income/(expenditure) for the year	Change in net assets without donor restrictions		80,351		152,819
43	Consolidated Statement of Comprehensive Income - Total income less investment income plus gain/(loss) on sale of tangible fixed assets	Total revenue and gains		288,472		277,337





University of
Central Lancashire
UCLan