DE MONTFORT UNIVERSITY LEICESTER

ANNUAL ACCOUNTS

2023/24

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STATEMENT OF PUBLIC BENEFIT

De Montfort University Higher Education Corporation (also referred to by its trading name, DMU and as Corporation in these financial statements) is an exempt charity by virtue of Schedule 3 of the Charities Act 2011 and, as such, is regulated by the Office for Students. The university's objectives, as defined in the Education Reform Act 1988, are to 'provide higher education', to 'provide further education' and to 'carry out research and to publish the results of that research' for the public benefit. The Board of Governors have regard to the guidance and requirements on public benefit. The overview set out in the sections that follow showcases how the university contributes toward public benefit.

CHAIR'S INTRODUCTION 2023/24

Higher education in the UK has never been under such pressure as it is today. The real value of student fees has plummeted, recruitment is challenging, overseas students are deterred by visa regulations and costs continue to rise. Against that background, De Montfort University (DMU) can take some comfort from a year in which major projects have been delivered, challenges have been faced, obstacles overcome, the strategy is well on track, student satisfaction is rising, and at the year-end we have a strong financial outcome and good reserves.

We began the 2023-2024 academic year with one of our strongest ever performances in Clearing following a good campaign and a very efficient operation on the ground. We added 1,100 students as a result, bringing our total student population in Leicester to a little under 27,000 – undergraduate, postgraduate, and apprentices; domestic and overseas. While overseas recruitment has been hard, we began piloting an April intake for postgraduate taught programmes to help bolster the cohort.

We are addressing recruitment with another initiative too. While redoubling our work with schools and further education colleges in the city and the county, we have also partnered with the University of Leicester to launch the city's first IntoUniversity centre in the spring. The centre is in Beaumont Leys and the intention is to inspire, and then support, young people on their way into higher education.

As the nature of the higher education business changes, our strategy – The Empowering University - is designed to address and counter some of the challenges. While there are obstacles to growth in the UK, our transnational education initiatives are developing well. Currently, we have more than 11,000 students studying for DMU qualifications overseas. The Dubai campus opens in a couple of weeks, so by the time this comes out, it will already have opened - and the Cambodia campus was officially opened in August (by the Cambodian PM, no less).

At the same time, seeing the international student market from a different perspective, we have signed the lease on a building for DMU London, aimed initially at overseas postgraduate students in business and computing. The full launch will be in September 2025.

Delivering student satisfaction is, as always, a priority for us. In this year's National Student Survey, in 26 out of 27 questions posed, we saw marked improvement. Our introduction of block teaching two years ago is clearly having a positive impact and we will have a more complete picture following next year's survey when the first 'block' cohort will have finished their studies. The initiative – championed by our Vice Chancellor, Professor Katie Normington – continues to gather attention in the sector with more and more institutions approaching DMU to learn more.

We are also building recognition internationally. In November, DMU attended COP28, the United Nations Climate Change Conference. DMU has UN Climate Observer Status and is the only UN Academic Impact Hub in the UK. As such we hosted a pavilion in an area where world leaders and policymakers gathered, enabling some of our academics and PhD students to showcase their work to an influential audience.

And while awards and league table rankings are by no means everything, they are pleasing, affirming and encouraging when they come. DMU was placed 27th out of 101 in the 'University of the Year' category in the WhatUni Student Choice Awards – nominated and judged entirely by students. The QS World University Rankings placed us in the top 50% while the Times Higher Education Impact Ranking placed DMU in the 101-200 cohort out of almost 2,000 institutions worldwide.

While there are causes for celebration of our achievements in the year gone, attention is now focused squarely on the year ahead and beyond. The 2024-2025 academic year will be as hard as any. None of the difficulties I have outlined will disappear or even ease. There appears to be no immediate prospect of the new government intervening in the sector. However, at DMU we are disinclined to wait for assistance from unidentified sources - we take our future into our own hands. We will work will diligence, care and creativity to position DMU securely for the second quarter of the 21st Century.

That work will be led by the Vice-Chancellor and her team. On behalf of the Board of Governors, I thank them for efforts and commitment this year. I also want to thank my fellow governors – student, staff and independent – for their outstanding contributions over the last twelve months.

Ian Squires
Chair of the Board of Governors

FOREWORD FROM THE VICE-CHANCELLOR

'It was the best of times, it was the worst of times'. So wrote Charles Dickens some 150 years ago in *A Tale of Two Cities*. It might in many ways mirror where higher education finds itself today. It is perhaps clearer as to why it is the worst of times. That argument is outlined in the Chair's introduction to the accounts and relates to the unit of resource that universities receive to deliver higher education. Why does that create the best of times? I argue that the inherent difficulties of the current situation necessitate that we are innovative.

That innovation comes easily to us. Founded as Leicester School of Art in 1870, De Montfort University has a creative approach in its DNA. We have shown that in the recent adoption of block teaching, whereby students study one module for seven weeks and are assessed in that period before taking the next block. This method allows students to focus on one thing at a time, ensures no clashing assessments and they report it better suits their complex lives. The adoption of block teaching by 60% of the university was undertaken in less than one year from Academic Board approval to the first students arriving to study through that mode. It demonstrated DMU's considerable ability in undertaking major change. Our talent in creativity and ability to undertake change will continue to serve us well.

We are now half way through the five years of our Empowering University strategic plan. It is a strategy well-understood by the university, with over 74% of staff who completed the staff pulse survey reporting that they know of the strategy. The strategy aims to offer opportunity for students, staff and key partners to 'create a fairer world'. By this we mean providing the environment for anyone, no matter their background, to fulfil their potential. The strategy is supported by four pillars which include learning for life, knowledge creation, empowering people and partnerships with purpose. It is supported by cross-cutting themes in equality, sustainability, digital transformation and financial strength.

This year there have been many highlights in fulfilling the strategy. These have included the delivery of the block education cited above, the establishment of seven new Research and Innovation Institutes to support research and knowledge exchange, new partnerships with many sporting organisations in Leicester, including Leicestershire County Cricket Club, Leicester Riders (Basketball) and Leicester Hockey, which complement those already held with other major city sports teams . Of the cross-cutting themes, we have been placed as the top university on the Stonewall Index, the top 101-120 of sustainable universities in the Times Higher Education Impact Rankings, and these accounts show that we have returned a surplus at a difficult time.

Our strategic pillars and cross-cutting themes drive the institutional key performance indicators. We have seen progress on all of these except grant income, the awarding gap, race pay gap, and the number of students who remain in local employment. We have work underway to address these. They include the establishment of the new Research and Innovation Institutes outlined above which will serve to better stimulate the environment for research and research grants, and the establishment of a role in the new Education Academy which will develop the work of Decolonising DMU further to address the race awarding gap. This will be supported by the work emerging from the pay gap group and external report on action to be taken. Schemes within DMU Careers continue to support students' awareness of opportunities for local employment and a recent study by London Economics shows that students who remain in the East Midlands after graduating from DMU earn 35% more than those in the region who have no education beyond level 3.

We are expecting a challenging year ahead. But we know that with our creativity, courage and ability to undertake large scale change, we will face this as best we can. I would like to thank the staff, students, partners and governors who enable us to do this.

Katie Normington
Vice-Chancellor, De Montfort University

THE EMPOWERING UNIVERSITY

A strategy to empower students, staff and our partners to create a fairer society.

Our Vision

Creating a community of participation, fairness and collective responsibility; transforming individual lives and championing a fair and sustainable society.

Our Mission

Discovering gateways of opportunity that empower students, staff and our community to create a fairer society.

Our Values

We support each other, we value difference and are honest and compassionate towards others. Together we will be courageous in exploring possibilities, breaking down barriers and re-imagining new horizons.

LEARNING FOR LIFE

Flexible learning for students of any age, fostering a love of learning and knowledge, delivered through our innovative Education 2030 programme.

Learning beyond the classroom provided through practical experiences in local, national and global arenas.

Creative approaches to learning delivery that ground students in digital literacy, and are focused on employability, building entrepreneurial and life skills.

KNOWLEDGE CREATION

Fostering interdisciplinary research that has impact: building on individual skills and knowledge for collective impact.

Integrated approach to knowledge exchange: sharing and learning with external organisations, industry and the community.

Nurturing the next generation of diverse researchers through developmental programmes.

EMPOWERING PEOPLE

Delivering an engaged experience for all students; building their confidence and fostering belonging and fulfilment so students can learn well and live well.

Championing diversity of our students and staff, a nurturing community which is inclusive and dynamic, drawing on our diversity to challenge the status quo and to drive change.

Campus collectives around themes which bring together research, teaching, staff interest and external engagements.

PARTNERSHIPS WITH PURPOSE

Leicester local: creating strategic partnerships to enrich the business and cultural community, and support social and economic needs.

Creative by design: develop national and global partnerships that create resilient, self-motivated and inquisitive graduates, transform relationships and impact local, national and global communities.

Valuing social responsibility through our voluntary support by staff and students, which helps local and regional initiatives.

CROSS CUTTING THEMES:

- EQUALITY FOR ALL
- SUSTAINABILITY AND THE SUSTAINABLE DEVELOPMENT GOALS
- DIGITAL TRANSFORMATION
- FINANCIAL STRENGTH

SUCCESS

Closing the Leicester skills gap; ensuring graduates access employment opportunities which meet their ambitions.

International reputation for our research themes with our research making a difference to lives.

A diverse, engaged community; no pay or awarding gaps; positive health and wellbeing amongst students and staff.

Addressing local and regional needs; realising national and global opportunities of mutual benefit.

STRATEGIC PERFORMANCE AND REVIEW

The Empowering University strategy was approved by the Board of Governors in July 2021. Now three years into its operation, progress has been made on the majority of targets. The pages that follow chart the progress against specific key performance targets and provide a snapshot of major achievements this year for the strategic pillars and cross-cutting themes. The progress on targets is based on the most up-to-date at the time of writing, data is updated through census points that run across the year at varying times. Many of our key performance targets cover a number of our strategic pillars and cross-cutting themes, but are presented here under one heading for simplicity.

PILLARS:

LEARNING FOR LIFE

Providing flexible education that best serves our students is of key importance and this year has seen improvements in key targets around the teaching and academic support we offer to our students. The "Teaching on my Course" theme as scored by the National Student Survey (NSS) has increased by 1.3% to 81.6%, above the target of 81.3%. The "Academic Support" theme has increased by 4% to 82.8%.

Employability is a key focus for our students, and we have set specific targets to support this, aiming to ensure that a large number of graduates remain in the East Midlands. This will help to supply skills to the local region. Our graduates employed in highly skilled employment increased 1.7% to 72.3%, surpassing a target of 71%, while retention of graduates in the region, increased by 4% to 46.3%, albeit -1.7% below target. We are actively collaborating with local employers to help students explore the wide range of employment opportunities available in the East Midlands

It is important that we retain students on our programmes. Currently 86.1% of our undergraduate and 79.8% of our postgraduate students complete their programmes. We are looking to raise this through the introduction of a university-wide retention programme this year.

KNOWLEDGE CREATION

Creating new knowledge, particularly through research with practical applications that provide a variety of economic, cultural, and societal benefits is important to us. We have created seven Research and Innovation Institutes this year and will use these to increase our GPA in the next Research Excellence Framework (REF) from 2.69 in 2021 to 3.0.

EMPOWERING PEOPLE

Our staff and students are a key part of the empowering university concept. We aim to demonstrate this through the proportion of staff who recommend DMU as a place to work in the staff pulse survey. This year this score rose by 5% to 66%, but was 9% below target. We are introducing a fuller staff survey in autumn 2024 to better understand where we need to improve. Similarly, although our Student Voice score on NSS, rose by 7.6% to 69.6%, our Pro Vice Chancellor Education and Equalities, Professor Susan Orr will be undertaking further work this year with the Student Union to increase student engagement.

We aim to be one of top three universities for diversity of staff. This year our diversity increased by 0.9% to 31.4%, but was 0.6% off target. Further challenges to our recruitment practices need to be undertaken to ensure that we are recruiting and promoting diverse talent. The promotion of diverse talent is key to reducing both our gender and ethnicity pay gap. This year saw the mean gender pay gap reduced by 1.9% to 8%, which is 2% off target, and the mean ethnicity pay gap, increased by 1.1%, some 5.4% off target. This year, we conducted an external review of our practices and established a group to investigate and drive better solutions.

PARTNERSHIPS WITH PURPOSE

Our final pillar concerns collaborative working. Our Income from Business and Community Services has increased by £4.3m to £9.5m, £4m above target this year through working with a wide range of private and public businesses. Further testament to our partnership work with international agencies is reflected in the increase in our overseas student income which is reported below.

CROSS CUTTING THEMES:

EQUALITY FOR ALL

As the first university to gain a Silver Race Equality Charter mark, we aim to continue to develop as an anti-racist university and offer opportunity for all staff and students no matter background or characteristics. There is much work to be done here. We aim to increase the proportion of undergraduate from Index of Multiple Deprivation (IMD) Q1 and 2, and while this has seen a rise to 50.3%, we remain 2.4% off target. This is being addressed in our Access and Participation Plan, as is further work to reduce our awarding gap between BAME and white students. This year saw the gap reduced by 2% to 11.6%, but this remains 3.6% off target.

SUSTAINABILITY

As the only UK university to have an Academic Impact hub awarded by the United Nations, sustainability and the Sustainable Development Goals are important at DMU. Our success in this area has seen us make progress towards net zero and despite our performance in Times Higher Education Impact Ranking dropping by 0.4 to 87.8, this is still 1.6 above target and earned us a global ranking of 100-120.

DIGITAL TRANSFORMATION

Digital transformation will be key to much of our working in the future. For staff, this year saw the measurement on the digital adoption audit rise by 0.9 to a score of 2.6. Staff digital awareness and capability is key to our continuing development. Likewise, student satisfaction with IT resources as measured by the NSS rose by 8% to 86.4%, already above next year's target of 85.6%.

FINANCIAL STRENGTH

Finally, it is key for any institution to have financial strength. Despite a very challenging time for higher education, we have managed to still display this. This was achieved through the diversification of our income. The value of international student income rose by £5.9m to £92.2m which is in line with our target. This was due to the growth of our transnational education projects as well as numbers of students on campus at Leicester. Our cash generation achieved by operating activities is 10.7% which is 1.7% above our target. Our liquidity was 10 months which is 4 months above our target.

The following pages capture some of the highlights of our strategic interventions and successes in more detail.

LEARNING FOR LIFE

Our Learning for Life implementation plan sets out how we'll make sure learning is student-centred, flexible and creative. Key to this is block learning where students study one subject at a time, instead of several at once, and stay with the same cohort of classmates.

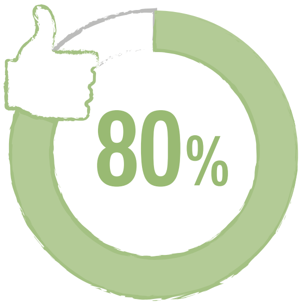
With the second cohort of students now learning via block, we can see it's working – our students tell us this and our metrics support it.

80% of our block taught students were satisfied with their course and fewer of them failed their modules compared to non-block taught students. They also achieved better outcomes with 43% getting a 1st or 2:1 in their modules.

We have also attracted national and international attention for our block teaching, giving over 28 talks to university senior teams, writing articles in educational press and presenting at a large number of conferences.

Our NSS results for 2024 show a positive trend in 26 out of 27 questions. Overall, we saw an increase of around 2% in most of the questions.

Block teaching will also drive the expansion of DMU to include a London campus. The campus is set to open in 2025, delivering postgraduate business and tech courses with a strong focus on sustainability.



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KNOWLEDGE CREATION

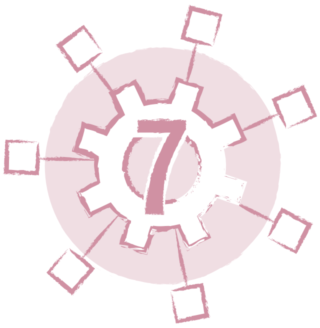
The 2021 Research Excellence Framework (REF) classified 60% of our research as world class or internationally excellent. To further improve this result, we designed a new approach to research that will promote interdisciplinary, impactful and inclusive research.

In 2023/2024, we established seven new Research and Innovation Institutes to spearhead our work and deliver on our Knowledge Creation Strategy.

We launched our Advancing Research Careers programme to support early and mid-career researchers over a three-year period with the very best to join the flagship Future Research Leaders Programme.

The Doctoral College continues to recruit to a range of programmes nationally and internationally, with 98 new students, adding to the postgraduate population of almost 600 students.

DMU's Research and Business Innovation team secured £15.1 million worth of work with the business community. This includes £715,000 secured by our Knowledge Transfer Partnership (KTP) projects in the past 12 months.



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£15.1 MILLION

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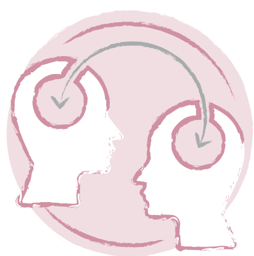

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EMPOWERING PEOPLE

Our Empowering University strategy aims to involve staff in decision making and strengthen the staff and student community.

In 2024, we launched Campus Collectives – a platform for staff and students for creating impact on key issues through collaboration and learning. The first Collective focused on sustainability and saw a range of projects from the university community come together.

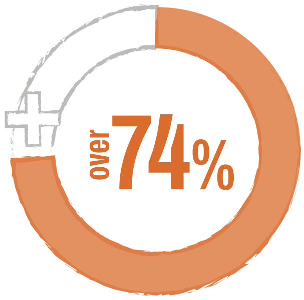
A staff pulse survey showed that over 74% of staff know about the Empowering University strategy and that the score for feeling empowered had improved by six percentage points.

Additionally, we launched a new staff recognition scheme for both individuals and teams to celebrate our people.

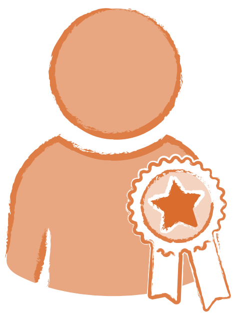
In the National Student Survey, the score for Student Voice had also gone up, especially when it came to staff valuing students' opinions.

We also began a new initiative, phoning all our first-year students at our Leicester campus to find out about their experience and check if they needed any additional support. Just over half of the first-year cohort engaged with this campaign with 87% rating their experience as good or excellent.

We also followed up later in the year phoning all students with low attendance and this check in was welcomed by students who said this contact helped them decide to re-engage.



Over 74% of staff knew about the Empowering University strategy



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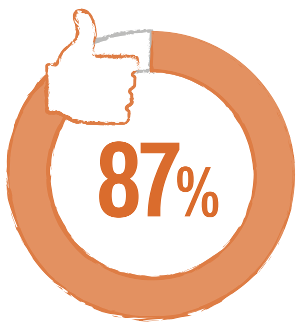


Almost 90% of first-year students who we reach with our new engagement campaign rated their experience as good or excellent

PARTNERSHIPS WITH PURPOSE

As part of our Partnerships with Purpose, we're committed to building and maintaining resilient and productive relationships with a range of local, national and international partners.

In 2023/2024, DMU's Community Challenge Fund supported 11 projects, providing £20,426 in funding and in-kind support (such as the use of space on campus and the facilitation of strategic collaborations and connections). The projects which have completed their activity have engaged over 23 DMU student volunteers and achieved a public reach of over 21,300 people in the local community.

We also launched Leicester's IntoUniversity centre in Beaumont Leys in partnership with IntoUniversity and the University of Leicester. The centre will provide young people access to after-school academic support, mentoring with university students and professionals, in-school aspiration-raising workshops and enrichment and work experience opportunities.

With more than 11,000 students studying overseas for a DMU degree with our overseas partners and at our campuses in Dubai, Kazakhstan and Cambodia, this academic year saw the investment in a new and better campus in Dubai.

£20,426
FUNDING AND SUPPORT

DMU's Community Challenge Fund supported 11 projects, providing £20,426 in funding and in-kind support

MORE THAN **11,000**
STUDENTS
OVERSEAS

This academic year saw the investment in a new and better campus in Dubai

CROSS-CUTTING THEMES

Equality for all

We were ranked second in Stonewall's Top 100 Employers 2024 list, becoming the top-ranking university in the UK. This put DMU ahead of some of the UKs biggest legal, construction, health, finance and charity organisations for being a welcoming place to work for LGBTQ+ staff and earned us a gold award.

The DMU Race Equality Network progressed the actions set out in our Advance HE Silver Race Equality Charter award.

Our Decolonising DMU work continued to be an inspiration for others, and the team has delivered presentations and conferences for organisations such as Universities UK, Advance HE, Higher Education Policy Institute, National Association of Disability Practitioners, Association of University Directors of Estate, Times Higher Education Conference, Universities Human Resources and at numerous universities across the country. The work of the project team behind Decolonising DMU was recognised nationally, winning the Collaborative Award for Teaching Excellence from Advance HE.

Ranked second in Stonewall's Top 100 Employers 2024 list becoming the top-ranking university in the UK

Digital transformation

Work across the university continues to deliver the three core strategic objectives of our Digital Transformation Strategy: Digital Working, Digital Mindset, and Managing Complex Change.

Our first-ever Digital Festival brought together staff with experts already using digital technologies and AI at DMU. The MORE Digital Champions programme helped staff feel more confident in using digital tools now and in the future. Over 200 champions from across the university embarked on a 12-week programme of learning and skills development to make the most of Microsoft 365 tools. They now support their colleagues to do the same.

A new appraisal approach, 'MyProgress', was launched at the end of October 2023. The new system is supported by simple, easy to use cloud-based technology and is informed by sector and outside of sector best practice. The new system has been designed to help staff understand their purpose and ability to contribute to the Empowering University strategy by removing static appraisal points and introducing quality conversations throughout the year that can support evolving, agile goals.

Over 200 digital champions from across the university embarked on a 12-week programme of learning and skills development

CROSS-CUTTING THEMES

Sustainability and the Sustainable Development Goals

DMU continues to demonstrate its commitments to sustainability and the United Nations' Sustainable Development Goals (SDGs) across all operations and through continuing work as a Global Hub for SDG 16: Peace, Justice and Strong Institutions.

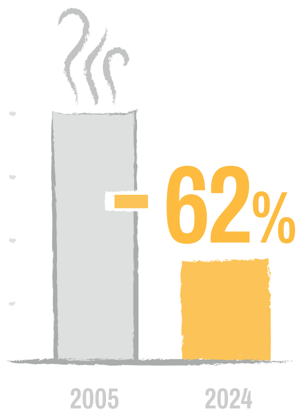
In November 2023, DMU was the only UK university to have a pavilion in the COP28 Blue Zone where researchers and academics showcased their work to world leaders, government ministers and policy makers.

Sustainability is the theme of a new Campus Collective – a special interest group open to staff and students launched this year. DMU has taken steps to become Net Carbon Zero by 2032 through its Carbon Management Plan.

We launched a Carbon Literacy training programme for staff and students to empower them to reduce their own carbon footprint from everyday activities. Staff are encouraged not to rely on their cars, are provided with free puncture repair kits and spare cycle inner tubes and have access to over 800 cycle spaces.

In the 2023/24 progress report, emissions from the university's energy decreased by 62% compared to 2005.

In November 2023, DMU was the only UK university to have a pavilion in the COP28 Blue Zone where researchers and academics showcased their work



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Financial strength

We have made significant progress in creating a sustainable financial position in the past year. Having embedded our Delivering Business Sustainability programme and through a strong culture of financial management across the university, we end the year with both a surplus and a strong cash balance. We continue to ensure that our operational costs show good value for money and that our teaching portfolio is effective and attractive. Our commercial growth has increased this year, this includes a higher income from our transnational education activities.

Our commercial growth has increased this year, this includes a higher income from our transnational education activities

Financial performance in 2023/24

Despite the challenging operating environment, and continued inflationary pressures, the university saw a strong end to the financial year. Expenditure budgets were adjusted in year, to mitigate the impact of lower tuition fee income than planned. Through careful financial management, performance against the revised financial plan was robust and the university has reported a consolidated surplus before tax of £12.7m (2022/23: £22.4m). This represents 4.9% of income compared to the target of 2% that is set out within our Financial Strength Implementation Plan.

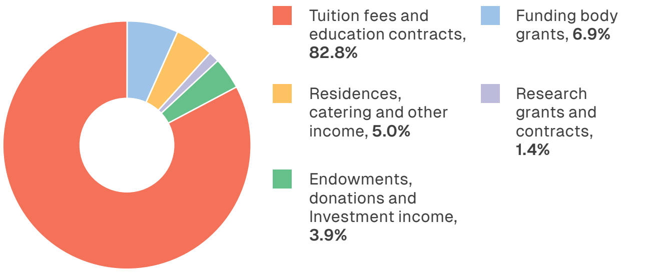
The University has implemented the Empowering University Strategy, of which Financial Strength is a cross cutting theme. The Financial Strength Implementation Plan sets out the key priorities for the university to enable it to allocate resources to the areas of greatest impact and priority; supporting medium and long term investment in the lifelong educational experience for students, the creation and exchange of knowledge and the development of strategic business and community partnerships. The University Leadership Board are continually delivering a programme of activity to support medium- and long-term financial sustainability.

The total reserves of the University has improved by £8.4m mainly due to effective cost management and a significant increase in the valuation of our long-term investment portfolio. The University has a strong cash and short term investments balance of £165.9m (2022/23: £172.7m).

The University's consolidated financial headlines are summarised as follows:

	2023/24 £'000	2022/23 £'000
Income	260,868	266,325
Expenditure	252,736	243,533
Surplus for the year	12,644	22,412
Cash and short term investments	165,921	172,695
Net current assets	117,076	115,758
Pension provisions	£nil	£nil
Total net assets/reserves including pension reserve	331,877	323,430

Income analysis 2023/24



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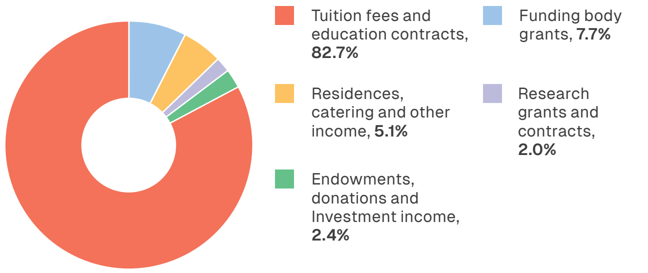
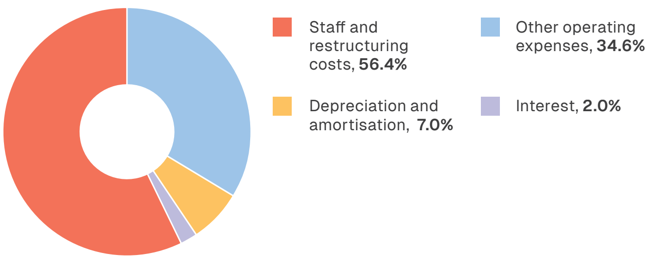
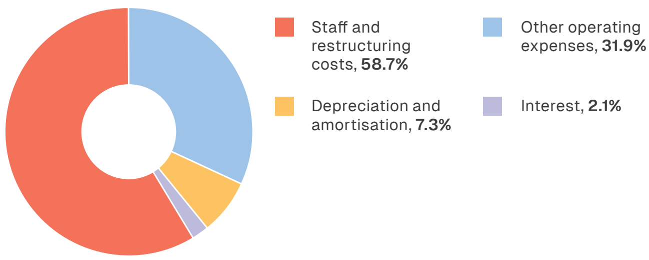


Expenditure analysis 2023/24



Expenditure analysis 2022/23



Total income of £260.9m decreased by £5.5m (-2%) from 2022/23. Tuition fee and educational contracts decreased by £4.2m (-2%) largely attributable to a reduction in tuition fees from UK students of £10m, offset with an increase income from overseas students of £6m.

The total received in funding body grants decreased by £2.7m (-13.1%) to £17.9m as a result of a reduction in the Office for Students recurrent teaching grant.

Other income remained consistent with 2022/23 and the larger returns on cash and short-term investments of £9.8m resulted from the high savings interest rate during 2023/24.

Total expenditure of £252.7m is an increase of £9.2m (3.8%) from 2022/23, staffing and restructuring costs accounted for 56.4% (2022/23: 58.9%) of the total expenditure.

The reduction in the staffing expenditure (including restructure) of £0.8m is attributable as follows:

- A decrease in staff costs due to a movement of £5.2m on the financial effects of the actuarial revaluation of the LGPS and USS pension schemes
- Increase in staff and associated costs of £4.1m resulting from cost inflation (pay awards and incremental drift) and an increase in employees within the academic numbers (45 FTE = 2% from 2022/23)
- The restructuring costs for 2023/24 are £1.3m, an increase of £0.3m from 2022/23.

Other operating expenditure has increased by £9.8m (12.0%) and this is attributed to the increase in associated costs resulting from an increase in Overseas student intake and the increase in energy costs from rising prices.

The depreciation and amortisation charges are £17.8m (2022/23: £17.1m) reflecting the increase in capital investment in student facilities, enhancement of buildings, IT and digital infrastructure over the last 12 months.

The long term Sustainable Investment Strategy of the university has been successful over the past 12 months and the reported surplus reflects an unrealised gain on the University's long-term investment of £4.6m.

The financial impact of the challenges and competition that the university and the sector face with student recruitment has been partially mitigated through the implementation of measures to manage all expenditure efficiently and to maximise the investment of our cash holdings. These actions have contributed to delivering an operating surplus, protecting and maintaining the cash position, and ensuring all debts that fall due are met in full, whilst the programme to support underlying financial sustainability is ongoing. This has allowed the university to continue to invest in student facilities, enhancement of the campus and the technology infrastructure.

Balance sheet

The total net asset position has improved by £8.4m to £331.9 due to a surplus in the year positively impacting overall movements on our balance sheet:

- The university has invested £17.1m in additions to tangible fixed assets of which major capital spend included investment in IT infrastructures, computer equipment and minor refurbishments to buildings.
- There is a £8m increase in investments under non-current assets as the university has invested an additional £3m in the long-term portfolio and achieved gains of £4.6m during the year.
- Cash and cash equivalents have decreased by £37.2m mainly due to an increase in short term investments to maximise return. The other key movements include payments made to acquire tangible assets of £17.1m offset by investment income and capital grant receipts of £9.7m and £3.6m respectively.
- Creditors due within one year have decreased by £7.8m mainly due to a reduction in payments received in advance from students.
- There is no movement shown on the LGPS provision due to the capping of the net asset again this year. This is a result of favourable movements in the key actuarial assumptions applied for accounting valuation purposes. It should be noted that £2.7m of the asset restriction has been identified as relating specifically to interest and as a result, that portion has reduced the investment income whereas the remainder has been recognised under actuarial (loss) in respect of pension schemes.

The university maintains a strong balance sheet with good levels of cash and investment reserves.

Conclusion

The university achieved a good financial performance for 2023/24, and effectively managed the pressures identified mid year. This has allowed further progress against its Strategic objectives and KPIs.

The high cash and liquidity position will be essential in supporting the university's financial sustainability and the continued implementation of its strategic ambitions to be an Empowering University.

DMU has carried out detailed analysis and scenario planning to provide assurance in its ability to achieve long term financial sustainability. Our stress testing shows that DMU will maintain a resilient cash and investments balance whilst continuing to be compliant with our bond covenants. Based on financial forecasts and cash projections for the next five-years, the Board is assured that the university has adequate resources to remain in operation for the foreseeable future and at least for the next twelve months from the financial statements being authorised for issue, which have been prepared on going concern basis.

Mr Ian Squires
Chair of the Board of Governors

Professor Katie Normington
Chief Executive and Vice-Chancellor

Trade Union Facility Time

	2023/24	2022/23
Relevant Union Officials		
Number of employees who were relevant union officials during the relevant period	25	33
Percentage of time spent on facility time		
Employees who were relevant union officials employed during the period		
Percentage of time		Number of employees
0%	-	-
1-50%	25	33
51-99%	-	-
100%	-	-
Percentage of pay bill spent on facility time		
Percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the period		
Total cost of facility time	£103,883	£127,013
Total pay bill	£148,922,000	£138,180,000
Percentage of the total pay bill spent on facility time	0.07%	0.09%
Paid trade union activities		
Time spent on paid trade union activities as a percentage of total paid facility time hours	30.17%	35.97%

Statement on Corporate Governance

This statement outlines for readers of the financial statements the corporate governance procedures adopted by the Board of Governors, covering the period from 1 August 2023 to 31 July 2024, and the subsequent period up until the date of approval of the financial statements.

Members of the university's Board of Governors serve as trustees and are responsible for determining the educational character and mission of the university, overseeing and scrutinising its activities.

We consider the beneficiaries of our charitable status to be all students, both undergraduate and postgraduate, as well as members of the public in the UK and overseas. We believe universities are a public good and that DMU transforms lives by providing inspiring environments for its students and staff, while sharing their discoveries to benefit the world.

Two new student governors and five new independent governors were appointed to the board in August 2023 and October 2023 respectively.A further independent governor recruitment process was launched during summer 2024 with the aim of further developing the skillset of the board. The board also launched an internal Governor Apprenticeship Programme during the summer of 2024 which aimed to create a pipeline of diverse potential future independent governors.

Work has continued on the university's 'Empowering University' strategy, first launched in autumn 2021. The strategy comprises four key pillars: Learning for Life, Knowledge Creation, Empowering People, and Partnerships with Purpose. The pillars are being delivered alongside four cross-cutting themes: Equality For All, Sustainability and the Sustainable Development Goals, Digital Transformation, and Financial Strength. Throughout the year, the board continued to receive high-level updates on the university's progress towards meeting the targets set in the strategy, with committees taking a more in-depth look at specific pillars and cross-cutting themes.

SUMMARY OF THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE

The university's objectives, powers and framework of governance are set out in its Instrument and Articles of Government. Under the Instrument and Articles of Government, the Board of Governors has a range of powers and duties, including the ongoing responsibility for the strategic direction of the university, approval of major developments, approval of annual estimates of income and expenditure, ensuring solvency of the institution, and safeguarding its assets. The business of the board and its committees are also run in accordance with the board's Standing Orders and the Scheme of Delegation.

It is a requirement of the Instrument and Articles of Government that there should be a majority of board members who are independent, and that the board should be comprised of no fewer than 12, and no more than 23, members (including the Vice-Chancellor, ex-officio). As of the end of the 2023/24 academic year, the board had a total of 17 members: 14 independent governors, as defined by the Instrument and Articles, two staff governors and the Vice-Chancellor. Two student governors will be appointed to the board in August 2024 to replace those that served during the 2023/24 academic year.

Membership of the Board of Governors is considered by the Nominations Committee, based on a skills matrix and diversity information that allows decisions to be made about the board's requirements in terms of governors.

The principal officer is the Vice-Chancellor, who has responsibility to the Board of Governors for the organisation, direction and management of the university. They are also the designated Accountable Officer for the purposes of the university's registration with the Office for Students (OfS). The Vice-Chancellor was supported by the University Leadership Board, which, as of the end of the 2023/24 academic year, comprised:

- Vice-Chancellor;
- Registrar (Academic) and Secretary to the Board of Governors;
- Executive Director of Finance and Procurement;
- Chief Transformation and Resources Officer;
- Pro Vice-Chancellors for Education and Equalities, International, and Research and Business Innovation;
- Pro Vice-Chancellor Sustainability and Dean of Health and Life Sciences
- Pro Vice-Chancellor Skills and Training and Dean of Arts, Design and Humanities
- Pro Vice-Chancellor Academic Staff Development, Dean of Business and Law
- Pro Vice-Chancellor Student Experience and Dean of Computing, Engineering and Media
- Executive Director of Marketing and Communications; and
- Executive Director of People Services.

CONDUCT OF BUSINESS

In the conduct of its formal business, and in addition to a strategic away day, the board meets six times a year. It has a number of formally constituted sub-committees looking at the following areas: Audit and Risk; Finance and Performance; People and Culture; Nominations; and Remuneration, whilst Academic Board oversees scholarly activities as the university's academic authority on behalf of the board. Each sub-committee has clearly defined and delegated responsibilities as laid out in its respective terms of reference and via the board's Scheme of Delegation.

The Audit and Risk Committee regularly meets with external and internal auditors through their attendance at each meeting of the committee, members and auditor meetings, and individual meetings with the committee chair. The committee considers internal audit reports and recommendations for the improvement of the university's systems of internal control, together with management responses and implementation plans. It is responsible for assessing the effectiveness of the external audit process through review and consideration of the annual audit plan, including key areas of audit risk, the external audit management letter, and meeting with the external auditors as necessary.

The terms of reference of the Audit and Risk Committee incorporate its role in monitoring and reporting upon the effectiveness of the university's risk management, data management quality, and value for money processes and procedures. The committee gains assurance that the institution has adequate arrangements in place for ensuring economy, efficiency and effectiveness and for the management and quality assurance of data submitted to the OfS and other funding bodies. It is also responsible for monitoring the university's policy on fraud, and ensuring there are satisfactory arrangements in place for handling whistleblowing disclosures, and student complaints.

The Finance and Performance Committee considers the annual revenue and capital budgets, and monitors performance in relation to the approved budgets and the five-year financial forecast. The committee also reviews and recommends to the board the university's Financial Regulations, financial policies, accounting policies and the annual financial statements. The committee monitors the university's performance in areas including financial sustainability, student recruitment, graduate outcomes, and research activity, among others, and the performance of the university's subsidiary companies, spin-out companies and joint ventures.

The People and Culture Committee considers strategies related to transformation, workforce matters, people-related (i.e. staff and student) business concerning culture and equality, diversity and inclusion, and seeks assurance that the university is compliant with relevant legislation. The committee ensures that the university has policies and practices in place to support employees and to attract, and retain, the highest calibre of talent in the market. The committee seeks assurance on workforce matters on behalf of the Board of Governors, and makes recommendations as appropriate. The committee monitors the progress of the university's Empowering People strategy and initiatives as part of that strategy. It also monitors areas such as the gender and ethnicity pay gaps to ensure the university's approach reflects best practice, and considers workforce risks to ensure mitigations and controls are in place.

The Nominations Committee reviews the membership of the Board of Governors, advising on the skills and diversity mix required by the board to fulfil its responsibilities effectively. It also considers the appointment of committee chairs and committee membership, and the recruitment and nomination of new governors, making recommendations to the Board of Governors as appropriate.

The Remuneration Committee determines the annual remuneration of the Vice-Chancellor and members of the University Leadership Board, and receives a report on the annual review of other senior academic and professional services staff.

All committees of the board are required to report in some form to the board. They do so in a variety of ways, including the formal submission of their minutes as well as a summary of outcomes provided by the chairs of the respective committees at board meetings, with key matters reported as substantive agenda items for discussion. In addition, the Audit and Risk Committee, the Finance and Performance Committee, the People and Culture Committee, and Remuneration Committee produce annual reports, which are submitted to the Board of Governors for consideration. The Vice-Chancellor also provides a written report on the broader operation of the university at each board meeting. As appropriate, members of the University Leadership Board are present at meetings of the board to expand, where necessary, on reports and answer questions as they arise and are actively involved in the majority of business at strategic away day meetings of the Board of Governors.

The Board of Governors periodically reviews its own effectiveness in accordance with good practice and Committee of University Chairs (CUC) guidance. At the conclusion of every meeting, the board and committees consider their performance during the meeting to ensure the board's or committee's effectiveness in executing its responsibilities, which informs the approach to agenda and business planning at future meetings. Furthermore, in line with the requirements of the CUC Higher Education Code of Governance, the university conducts an effectiveness review every three years; the next review will be conducted in autumn 2024. At the end of each academic year, governors are asked to complete an effectiveness self-assessment survey for the board, and any committees of which they are members, to evaluate the overall performance of the board or committee during the academic year. Feedback from the surveys is shared with the board and committees at the first meetings of the next academic year.

Newly-appointed governors are expected to participate in a robust internal induction programme, tailored to their specific needs and experience, which will include them being made aware of their legal and regulatory obligations, as well as their obligations as a trustee of a charitable institution. Additionally, it is a mandatory requirement of governors that they attend external training offered by independent organisations, to ensure they are aware of wider higher education governance policy developments and best practice. Governors are also encouraged to be proactive in identifying opportunities for any further training or support that might be required to enable them to better fulfil their duties as governors. As part of an annual appraisal process, governors are asked to consider, and discuss with the Chair, any training opportunities of interest to help inform the Board of Governors' training and development plan. In relation to the conduct of board business, there is considerable opportunity for governors to request additional information through board committees, the board itself, and via the Governance Office.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF GOVERNORS

In accordance with the university's Instrument and Articles of Government, the Board of Governors is responsible for the oversight of the administration and management (by the University Leadership Board) of the affairs of the university and is required to approve audited financial statements for each financial year. The Board of Governors is responsible for keeping proper accounting records that disclose the financial position of the university and enable it to ensure that the financial statements are prepared in accordance with the university's Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education, and other relevant accounting standards. As a Higher Education Corporation, the board, through its designated Accountable Officer, produces financial statements for each financial year, which give a true and fair view of the state of affairs of the university and of the surplus or deficit and cash flows for that year. These statements are also submitted to the OfS as part of the Annual Financial Return.

In preparing these financial statements, the members of the board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the university will continue in operation.

Members of the board are required to give a report in the financial statements which includes the legal and administrative status of the university. Members of the board are responsible for keeping adequate accounting records that are sufficient to show and explain the university's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Royal Charter, its Articles of Association, the Accounts Direction as issued by the OfS and the Statement of Recommended Practice: Accounting for Further and Higher Education. They are also responsible for safeguarding the assets of the university and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the board are also responsible for ensuring that the funds from the OfS and the Department for Education are used only in accordance with the Terms and Conditions of Funding with the OfS and any other conditions that the Funding Council may prescribe from time to time. Members of the board must ensure there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the board are responsible for securing economical, efficient and effective management of the university's resources and expenditure, so that the benefits that should be derived from the application of public funds by the OfS are not put at risk.

Financial statements are published on the university's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the university's website is the responsibility of the members of the board. The members of the board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT OF INTERNAL CONTROL

This statement of internal control relates to the period covered by the financial statements, and the period up to the date of approval of the audited financial statements.

Internal control

The Board of Governors acknowledges its responsibility for ensuring that a sound system of internal control is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The key elements of the university's system of internal control, which is designed to discharge the financial responsibilities of the Board of Governors, include:

- Clear definitions of the responsibilities of, and the authority delegated to, the Board of Governors, its committees, the executive and academic committees of the university, and senior staff of the university, set out in the Scheme of Delegation which is published on the university website.

- Maintenance of a Register of Interests of members of the Board of Governors, and co-opted committee members, the University Leadership Board, and members of the university's Academic Board. The register is published on the university website.
- A comprehensive short and medium-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and of financial results involving variance reporting and updates of forecast out-turns.
- Clearly defined and formalised requirements for the approval and control of expenditure.
- Procedures for the management of investment and risk.
- Clearly defined procedures for the confirmation of attendance of students for the purposes of ensuring the appropriate draw down of public funding from the Student Loans Company.
- Comprehensive financial regulations, detailing financial controls and procedures, which were reviewed as part of the review of the university's policies and procedures, including detailed anti-fraud, corruption and bribery policies and procedures to ensure the highest standards of ethical conduct.
- A comprehensive Risk Management Framework.
- A professional internal audit service, whose annual programme is approved by the Audit and Risk Committee on behalf of the Board of Governors.
- A continuous review of the effectiveness of the university's system of internal control by the Audit and Risk Committee, on behalf of the Board of Governors.
- Reports from the university's appointed external auditors, including the management letter, which are received by the Audit and Risk Committee.

The above requirements ensure the effectiveness of the arrangement of statutory and regulatory activity including OfS conditions of registration.

Risk management

The Board of Governors recognises that effective risk management is an essential element in the framework of good governance. The board has continued to develop its risk management systems, ensuring that they are compliant with the OfS Accounts Direction and good practice guidance such as that issued by the Charity Commission and the Financial Reporting Council.

The system of internal control adopted by the board is designed to set the tone, and embed the culture of risk and resilience management across the university. This is achieved through approving the appropriate risk appetite for the university, and by actively participating in major decisions affecting the university's exposure to risk. It is based on an ongoing process, designed to identify significant strategic and business risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically to reduce the impact and likelihood of adverse events occurring. This approach enables the board to engage in risk management, rather than elimination, and provide assurance that the risk of failure to achieve policies, aims and objectives is being effectively managed.

The university has in place a corporate risk register and a defined approach to risk management The university's strategic aims and operational objectives drive organisation's approach to risk management . This is achieved by:

- Ensuring a focus on risks that threaten the university's business model and strategic aims.
- Establishing key operations and the corresponding institutional appetite for risk for these areas.
- Strengthening the connection between business continuity and crisis management as key aspects of enterprise resilience.
- coping internal and external factors to identify changes to the risk landscape

The governance architecture describes the roles and responsibilities of the Board of Governors, the Audit and Risk Committee, the University Leadership Board, and the Risk Management Committee, ensuring clear lines of accountability and communication. The University Leadership Board are the owners of the corporate risk register and receive advice and updates from the Risk Management Committee, which undertakes detailed scrutiny of local risk registers and the operation of risk management across the university. To provide appropriate oversight, the Audit and Risk Committee receives biannual updates to the university's risk landscape, focusing on updates to the university's most significant risks or any risks outside of tolerance.

This process has been cascaded into the university's faculties and directorates, ensuring that there is a consistent and aligned approach to risk management through which risks are managed at the most appropriate level in the institution. Training delivered recently through an external provider will also ensure that expertise in risk management is adopted across the whole institution.

The risk management approach recommends an annual, independent appraisal of the effectiveness of risk management across the university takes place. This is aligned to existing reporting processes, via the Audit and Risk Committee to the Board of Governors, on the effectiveness of internal control systems.

Chancellor, Board of Governors & Committees, University Leadership Board & Professional Advisers

CHANCELLOR

Mr Akram Khan MBE

BOARD OF GOVERNORS

Mr Ian Squires BA (Hons) (Chair of the Board)	
Mr Peter Collyer Chartered FCIPD	
Ms Alison Court BA MBA	*Appointed October 2023*
Mr Stuart Dawkins BA, MSc, MBA	
Mr Vivek Ganotra BSc MBA	*Appointed October 2023*
Mr Jonathan Kerry BA MA	
Mr Jonathan Mills CB MA MPhil	
Mr Patrick Moody LLB	*Appointed October 2023*
Mr Abdul Mullick BA (Oxon) MA	*Appointed October 2023*
Ms Sardip Sandhu BSc (Hons) PGCert	
Ms Beverley Shears PGDip MA FRSA Chartered CIPD FIoD	
Ms Shikha Singh BA MSc	*Appointed October 2023*
Mr Peter Tansley BA (Hons) CGMA CIMA CMIIA	
Mr Daniel Toner BA (Hons)	*Stepped down June 2024*
Mr Paul Woodgates BA (Hons) ACA	

STAFF AND STUDENT GOVERNORS

Mr Phil Grierson BA MA (professional services staff representative)	*Appointed December 2022*
Mrs Buddy Penfold BA BSc PGCert MA (academic staff representative)	
Mr Amir Iqbal BSc (Union Development Executive Officer)	*Appointed September 2023, tenure ended June 2024*
Ms Priya Karasala (Opportunities and Engagement Executive Officer)	*Appointed September 2023, tenure ended June 2024*

CO-OPTED MEMBER

Mr Phil Clarke BA (Hons) (Finance and Performance Committee)	
Professor Fiona Cownie FAcSS FRSA PFHEA (Audit and Risk Committee)	*Appointed August 2023*

Ex-officio governor – Chief Executive and Vice-Chancellor

Professor Katie Normington BA (Hons) MA PhD

REGISTRAR (ACADEMIC) AND SECRETARY TO THE BOARD OF GOVERNORS

Ms Nikki Pierce BSc (Econ) MBA MPhil

COMMITTEES OF THE BOARD OF GOVERNORS

Audit and Risk Committee
Mr Peter Tansley (Chair)
Ms Alison Court (from October 2023)
Professor Fiona Cownie (co-opted from August 2023)
Mr Jonathan Kerry
Mr Patrick Moody (from October 2023)
Mr Abdul Mullick (from October 2023)
Mr Dan Toner (until June 2024)

Finance and Performance Committee
Mr Paul Woodgates (Chair)
Mr Phil Clarke (co-opted)
Mr Stuart Dawkins
Mr Jonathan Mills
Professor Katie Normington *(ex officio)*
Ms Shikha Singh (from October 2023)
Mr Ian Squires

People and Culture Committee
Ms Beverley Shears (Chair)
Mr Peter Collyer
Mr Vivek Ganotra
Professor Katie Normington *(ex-officio)*
Ms Sardip Sandhu
Mr Ian Squires

Nominations Committee
Mr Ian Squires (Chair)
Mr Peter Collyer
Ms Alison Court (from October 2023)
Ms Priya Karasala (from August 2023 – June 2023)
Professor Katie Normington *(ex-officio)*
Mrs Buddy Penfold
Ms Sardip Sandhu

Remuneration Committee
Mr Peter Collyer (Chair) (from August 2023)
Ms Beverley Shears
Ms Shikha Singh (from October 2023)
Mr Ian Squires
Mr Dan Toner (until June 2024)

UNIVERSITY LEADERSHIP BOARD

Professor Katie Normington (Chief Executive and Vice-Chancellor) BA (Hons), MA, PhD

Professor Richard Greene (Deputy Vice-Chancellor) BSc, PhD, MB, BS, MBA, FHEA, FAS *Left April 2024*

Ms Nikki Pierce (Registrar [Academic] and Secretary to the Board of Governors) BSc Econ (Hons), MBA, MPhil

Ms Debbie Muddimer (Executive Director of Finance and Procurement) PGDip, FCPFA

Ms Tracey Jessup (Chief Transformation Officer) MA (Hons)

Professor Susan Orr (Pro Vice-Chancellor Education) Ed D, HEA PF, NTF, CATE, FRSA

Professor Mike Kagioglou (Pro Vice-Chancellor Research and Business Innovation)
BEng (Hons), MSc, PhD, FHEA, Cmgr, FCMI, FRS NSW, FRICS, FCIOB

Professor Simon Oldroyd (Pro Vice-Chancellor Sustainability and Dean of Health and Life Sciences)
BSc (Hons), PhD, FIBMS

Mr Simon Bradbury (Pro Vice-Chancellor International) MA (Cantab), DipArch, RIBA, ARB, FHEA

Ms Jill Cowley (Pro-Vice Chancellor Skills and Training and Dean of Arts, Design and Humanities) BA, SFHEA

Professor Heather McLaughlin (Dean of Business and Law) BA, MSc, PhD, FCA, CMgr, FCMI, SFHEA, CMBE

Professor Shushma Patel (Pro Vice-Chancellor Student Experience and
Dean of Computing, Engineering and Media) BSc (H) PhD FBCS, CITP, PFHEA, NTF

Mrs Melanie Fowler (Executive Director of Marketing and Communications) BSc (Hons), MA

Ms Bridget Donoghue (Executive Director of People Services) CIPD

Dr Ahmad Alhusan (Interim Executive Director of Strategic Planning Services) BA, MBA, DBA (HEM) *Left April 2024*

PROFESSIONAL ADVISERS TO THE CORPORATION

Auditors
External Auditors: BDO LLP
Internal Auditors: KPMG LLP

Bankers
National Westminster Bank plc.

Members of the Board of Governors who served throughout the year ended 31 July 2024

Their eligibility and attendance as members of the Board of Governors, Audit and Risk Committee, Finance and Performance Committee, People and Culture Committee, Nominations Committee and Remuneration Committee are shown below:

	Governor attendance at meetings 2022/23	Board meetings		Audit and Risk		Finance and Performance		People and Culture		Nominations		Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1	Ian Squires	8	8	–	–	5	5	4	3	2	2	2	2
2	Peter Collyer	8	6	–	–	–	–	4	4	2	2	2	2
3	Alison Court	7	5	5	2	–	–	–	–	1	0	–	–
4	Stuart Dawkins	8	7	–	–	5	5	–	–	–	–	–	–
5	Vivek Ganotra	7	1	–	–	–	–	4	4	–	–	–	–
6	Phil Grierson	8	8	–	–	–	–	–	–	1	1	–	–
7	Amir Iqbal	7	7	–	–	–	–	–	–	–	–	–	–
8	Priya Karasala	7	6	–	–	–	–	–	–	1	1	–	–
9	Jonathan Kerry	8	4	5	4	–	–	–	–	–	–	–	–
10	Jonathan Mills	8	7	–	–	5	2	–	–	–	–	–	–
11	Patrick Moody	7	6	5	3	–	–	–	–	–	–	–	–
12	Abdul Mullick	7	7	5	2	–	–	–	–	–	–	–	–
13	Katie Normington	8	8	*	*	5	5	4	4	2	1	*	*
14	Buddy Penfold	8	8	–	–	–	–	–	–	1	1	–	–
15	Sardip Sandhu	8	5	–	–	–	–	4	3	2	1	–	–
16	Beverley Shears	8	6	–	–	–	–	4	4	–	–	2	1
17	Shikha Singh	7	7	–	–	5	4	–	–	–	–	2	2
18	Peter Tansley	8	4	5	5	–	–	–	–	–	–	–	–
19	Dan Toner	7	3	5	4	–	–	–	–	–	–	2	0
20	Paul Woodgates	8	6	–	–	5	5	–	–	–	–	–	–
21	Phil Clarke	–	–	–	–	5	5	–	–	–	–	–	–
22	Fiona Cownie	–	–	5	4	–	–	–	–	–	–	–	–

*May attend these meetings in a ULB capacity, but not a member of those committees

Independent auditor's report to the Board of Governors of De Montfort University

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

We have audited the financial statements of De Montfort University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2024, which comprise the Consolidated and Corporation Statement of Comprehensive Income, the Consolidated and Corporation Statement of Changes in Reserves, the Consolidated and Corporation Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Governors of De Montfort University on 1 July 2021 to audit the financial statements for the year ended 31 July 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is four years, covering the years ended 31 July 2021 to 31 July 2024. We remain independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the University.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Governors' assessment of the Group and the University's ability to continue to adopt the going concern basis of accounting included:

Assessment of the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast but also to have a high-level understanding of the University's market, strategy and profile in the sector, and the ongoing impact of the current economic environment.

- Consideration of the forecast prepared by management including comparison to prior year actuals, challenge of the key assumptions based on our knowledge of the business and checking the mathematical accuracy of the forecasts.
- Obtaining and assessing the availability of financing facilities, the nature of facilities and repayment terms through to July 2026.
- We considered management's financial covenant compliance calculations through to July 2026 and concluded on the consistency of such calculations with the ratios stated in the relevant lender agreements.
- We considered ongoing legal matters and the completeness of cash outflows in the forecasts.
- As referred to in note 1 of the Statement of Principal Accounting Policies, management has modelled a stress test scenario to incorporate a downturn in future income. We have considered the appropriateness of this scenario in respect of the impact of the current economic environment and challenged management to confirm that they have suitably addressed the inputs, which are most susceptible to change, including those in respect of revenue.
- We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenario.

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

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

Overview

Coverage	100% (2023: 100%) of Group surplus before tax 100% (2023: 100%) of Group income 100% (2023: 100%) of Group total assets		
		2024	2023
Key audit matters	Revenue recognition – deferral of tuition fee and indirect partnership income	Yes	Yes
	Revenue recognition – partnership income and expenditure	Yes	Yes
Materiality	**Group financial statements as a whole** £3,565,000 (2023: £3,570,000) based on 1.35% (2023: 1.35%) of income A specific materiality of £500 (2023: £1) was determined for our testing of Head of Provider remuneration and £5,000 for our testing of pay band disclosure for higher paid staff.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Governors that may have represented a risk of material misstatement.

Audit work on all significant components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

We identified one component (De Montfort University) which, in our view, required an audit of its complete financial information for group purposes due to its size and was therefore considered to be a significant component.

De Montfort Expertise Limited was not considered to be a significant component of the Group. Audit work was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Income recognition – deferral of tuition fee and indirect partnership income	We assessed there to be a risk over the deferral of tuition fee and indirect partnership income due to the significance of the calculation in the amount of revenue recognised during the year, and its complexities surrounding the number of courses and their dates spanning the year end. We therefore identified the deferral of tuition fees as a significant risk and a key audit matter.	We selected a sample of students from the student registry system to confirm that there was evidence that the required identity checks have been completed, that the student had been in attendance for the whole of the academic year, the amount billed to the student was in agreement with the published fees for the course for which the student had registered, the income had been recognised in the tuition fee nominal ledger and the student had settled the invoice. We obtained the deferred income calculations from management and reperformed the calculations to confirm they were mathematically accurate. We selected a sample of students from the deferred tuition fee listing to confirm the dates of the courses spanning the year end, the amount billed to the student agreed to the published fees for the course for which the student had registered and to confirm the student was correctly included on the deferred tuition fee listing and that the income had been correctly deferred at the year end. Key observation: Based on the procedures performed, the accounting for the deferral of tuition fee and indirect partnership income is materially correct.
Transactions with a partner – revenue and payroll recognition	We assessed there to be a risk over revenue recognition relating to a specific contract within direct partnership income. This is due to transaction flows relating to this partnership altering as compared to the original contract, which increased our assessed risk of fraud. We therefore identified the revenue recognition of the partner income as a significant risk and a key audit matter. This also resulted in a significant risk in relation to the completeness of payroll costs of directly employed staff recognised within the University accounts.	We obtained management's updated assessment of the partnership arrangement, which determined that the University acts as an agent for accounting treatment purposes and verified this to the terms of the collaboration agreement. We verified a sample of students to supporting evidence to confirm entitlement to income and that the fee charged was at the agreed rate for the registered course. We obtained management's revenue calculations and verified the calculation to both the collaboration agreement and to the student listing. We obtained the partner payroll reconciliation from management and verified that the calculations agreed to the financial statements. We selected a sample of employees from the payroll reports and verified which entity they were employed by to employment contacts, as well as confirming gross pay and bank payment details. Key observation: Based on the procedures performed, we found the revenue and payroll expenditure recognised to be materially correct.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		University financial statements	
	2024 £	2023 £	2024 £	2023 £
Materiality	3,565,000	3,570,000	3,560,000	3,391,500
Basis for determining materiality	1.35% of revenue	1.35% of revenue	1.35% of revenue	1.35% of revenue
Rationale for the benchmark applied	Revenue is of particular interest to the users of the financial statements as the success of both research and student enrolment is linked to this figure.			
Performance materiality	2,139,000	2,499,000	2,135,000	2,374,050
Basis for determining performance materiality	60% of materiality	70% of materiality	60% of materiality	70% of materiality
Rationale for the percentage applied for performance materiality	We have determined that 60% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as low levels of misstatements previously identified partially offset by the number of areas of the financial statements subject to significant estimation uncertainty.			

A specific materiality of £500 (2023: £1) was determined for our testing of Head of Provider remuneration and £5,000 for our testing of the pay band disclosure for higher paid staff.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each component of the Group, apart from the University whose materiality is set out above, based on a percentage of 2.95% (2023: 2.80%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was £105,000 (2023: £100,000). In the audit of each component, we further applied performance materiality levels of 70% (2023: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £70,000 (2023: £71,400). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS"), UK Research and Innovation (including Research England), the Education and Skills Funding Agency ("ESFA") and the Department for Education

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The University's grant and fee income, as disclosed in note 1g to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 6 to the accounts, has been materially misstated.

Responsibilities of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Group's and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management, the Legal & Governance team, those charged with governance and the Audit and Risk Committee;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer

we considered the significant laws and regulations to be the Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS's Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and the University's ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;

- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Involvement of forensics specialists to determine whether any fraud risks existed in response to an investigation undertaken by a management specialist. We reviewed the outputs of their investigation and performed additional audit procedures to corroborate the findings.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the recognition of tuition fee revenue in line with course dates, revenue recognised in relation to partnership arrangements where the University sub-contracted some of their courses to other entities and the posting of manual journals to material revenue streams.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including bad debt provision, useful economic lives of both intangible and tangible fixed assets and assumptions applied in defined benefit pension calculations.
- Comparing the level of deferred tuition fee income to expectations and testing a sample of deferrals to ensure correct treatment at the Statement of Financial Position date.

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

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

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

Use of our report

This report is made solely to the Governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's 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 Governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Kyla Bellingall

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Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

Date: 16 December 2024

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

Principal Accounting Policies

The following accounting policies have been applied consistently throughout the period to items that are considered material in relation to the accounts. These accounting policies have been reviewed by the Board of Governors and are considered to be appropriate to the university's activities.

1. BASIS OF PREPARATION

These financial statements have been prepared on a going concern basis which the Governing Body believe to be appropriate for the following reasons:

The Higher Education Sector continues to operate in an extremely challenging financial environment. This challenge is driven by a capped fee in relation to home undergraduate students, inflationary pressures and more recently a fall in UK admissions from overseas students due to changes Home Office regulations on immigration.

In response to this challenge, we continue to review how we operate as a university to ensure that we are focussing on the achievement of the targets and KPIs within our Empowering University Strategy. Our focus also remains on efficient delivery which supports the overall financial sustainability of the university.

The university has carried out detailed analysis and scenario planning to provide assurance in its ability to achieve long term financial sustainability, beyond going concern requirements.

The university maintains a 5 year outlook on financial planning and sustainability through the development and monitoring of the Medium Term Financial Plan (MTFP). The MTFP 2024/25 to 2028/29 was approved by the Board of Governors in July 2024 and highlighted the need for improved efficiencies to counter the impact of inflation, fixed fees for home students and an anticipated reduction in student recruitment in September 2024.

The approved budget for 2024/25 has been updated to reflect the latest student recruitment numbers. This provides a current forecast of income levels for the year and has been extrapolated into future years to inform the view taken in relation to the ability of the university to operate on a going concern basis. Through a financial recovery plan, the university has identified and commenced the implementation of a series of mitigating actions to reduce expenditure in the current and future financial years to ensure that financial strength can be delivered in the medium to long term. These include reviewing levels of revenue and capital investment and reducing non-essential spend while longer term actions are managed. The university has a strong track record of financial management and cost control and has demonstrated that it can successfully deliver in year improvements to forecast outturn. The mitigations identified for 2024/25 are sufficient to ensure the University can operate within the financial covenant associated with the bond, the debt service ratio.

The projected bond covenant position for 31 July 2025 and 31 July 2026 is 2.1%, with the maximum being 7% before the covenant is breached. The scenario planning undertaken shows that even in the worst case scenario for 2025/26, this ratio would be 3.4%.

The university's financial position is underpinned by strong cash balances and high levels of liquidity. Cashflow projections have been prepared for at least twelve months from the date of approval of these consolidated financial statements and cover the period to 31 July 2026.

Stress testing was performed on the 2025/26 figures by assuming a reduction in student numbers which reduced forecast income for 2025/26 by c6%. In addition, a further worst-case scenario was considered whereby, DMU have no overseas tuition fee income in 2025/26 resulting in a decrease of c42% to our forecast income. As expected in both scenarios, there was a drop in our liquidity position but DMU maintained a resilient cash and investments balance whilst continuing to be compliant with our bond covenants.

We continue to focus on maintaining strength in our liquidity as well as the balance sheet so as to place the university in a strong position to safeguard its long-term financial sustainability.

The Board of Governors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the University's ability to continue as a going concern.

Based on the above analysis, it remains appropriate to prepare the consolidated financial statements on a going concern basis.

2. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) as interpreted by the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019. The university complies with the Office for Students (OfS) Accounts Direction.

The University meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

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

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the University's accounting policies, it is necessary to make judgements and estimates about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant.

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

Judgements

The following are the judgements that have been taken in the process of applying the University's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

i) Research grants and contracts

Grants and donations from non-government sources are released to the Consolidated Statement of Comprehensive Income as performance criteria are met. Revenue is recognised when these conditions are judged to have been met.

ii) Bad and doubtful debts

Specific provision is made for individual debts where recovery is deemed to be uncertain and this requires an element of judgement.

iii) Impairment of tangible and intangible assets

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income.

iv) Local Government Pension Scheme (LGPS) Asset Restriction

The present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date. As such, our Local Government Pension Scheme is in a surplus position. The defined benefit plan asset on this scheme has been restricted to £Nil because there is no legal right to recover the surplus through reduced contributions or refunds.

Estimates

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

i) Useful lives of tangible fixed assets

Tangible fixed assets represent a significant portion of the University's total assets. Therefore, the estimates of the useful lives over which assets are depreciated could have a significant impact on the University's financial performance. Tangible fixed assets are depreciated over their useful lives, considering residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are considered.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

ii) Useful lives of intangible assets

Intangible assets (software) are amortised on a straight-line basis over their estimated useful lives. The useful lives and residual values are assessed annually after considering a number of factors such as technology innovation.

iii) Local Government Pension Scheme

Local Government Pension Scheme is sensitive to the actuarial assumptions used. Therefore, the assumptions used to derive this value could have a significant impact on the University's financial performance. The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note (27d) in the Annual Accounts, will impact the carrying amount of the pension liability.

Furthermore, a roll forward approach, which projects results from the latest full actuarial valuation performed at 31 March 2022, has been used by the actuary in valuing the pensions liability at 31 July 2024.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

iv) Bad and doubtful debts

A provision for bad and doubtful debts is calculated using a formula based on the age of the overdue debt.

The formula is applied consistently from year to year but necessarily requires a degree of estimation. Every year, each category of debtor is reviewed for risk of non-payment which requires a degree of judgement.

Included within trade and other receivables is a bad debt provision of £9.8m (2023: 12.6m).

v) Retirement benefit obligations

The University also operates within two schemes that are accounted for as defined contribution schemes –

the Universities Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS). These are accounted for as defined contribution schemes as insufficient information is available to identify the university's share of the underlying assets and liabilities.

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the Consolidated Statement of Financial Position. The USS deficit recovery plan defines the deficit payment required as a percentage of future salaries until 2031. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. This provision is sensitive to assumptions used which could have a significant impact on the University's financial performance. See note 27c.

4. TANGIBLE FIXED ASSETS

i) Measurement at initial recognition

Tangible assets are capitalised if they are capable of being used for a period that exceeds one year and:

· Individually have a cost equal to or greater than £10,000

or

· Collectively have a cost equal to or greater than £10,000 where the assets are functionally interdependent or are purchased together and intended to be used as group under common management control

or

· Irrespective of their individual cost, form part of the initial equipping of a new building

ii) Measurement after initial recognition

Land and buildings inherited from Leicestershire County Council on 1 April 1989, and prime teaching buildings, that had been revalued to fair value on 30 May 2012, are measured at deemed cost, being the revalued amount at the date of that revaluation, less depreciation since that date.

All other tangible fixed assets are stated at cost.

Assets held for resale are stated at the lower of cost or net realisable value.

A review for impairment of buildings is carried out annually. If events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, an impairment charge is made to the Consolidated Statement of Comprehensive Income.

Componentisation is built into the asset lives of the buildings. When significant components are replaced, they have their asset lives individually assessed.

iii) Depreciation

Land is not depreciated. Freehold property is depreciated over expected useful life on a straight-line basis. For existing properties, new construction and major renovations, the expected useful life is based on an external appraisal and reflects all of the buildings' major components. Refurbishment projects are depreciated over 20 years.

Leasehold property, including improvements to leasehold property, and other leased assets are depreciated over the life of the lease. Other tangible assets are depreciated on a straight-line basis over their useful life as follows:

Equipment	Lifespan
Computer equipment	Three years
Other equipment and furniture	Five years
Equipment acquired for specific projects	Over the life project (generally three years)
Expenditure which extends useful life	Over additional useful life

Buildings	Lifespan
University-owned buildings	Over expected useful life (20 to 50-plus years)
Leasehold property	Over life of lease

All assets are depreciated in the month after they are put into service.

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

Depreciation on disposals is provided up to the month before the asset is taken out of use.

iv) Funded tangible fixed assets

Where assets are acquired with the aid of specific grants or donations they are capitalised and depreciated as above.

All non-government grants are released to the Consolidated Statement of Comprehensive Income as donations, as performance criteria are met.

Government grants and donations are treated as deferred capital grants and released to income over the expected useful life of the asset (or the period of the grant in respect of specific projects).

Grants received in respect of land are released to the Consolidated Statement of Comprehensive Income and shown under 'Donations and Endowments' when performance-related conditions are met.

v) Tangible donated fixed assets

Tangible fixed assets other than land that have been donated to the university are capitalised at market value.

All non-government donations are released to the Consolidated Statement of Comprehensive Income as donations.

Government donations are treated as deferred capital grants. Assets are depreciated over their estimated useful lives, and a corresponding amount is released from deferred capital grants to the Consolidated Statement of Comprehensive Income.

vi) IT equipment and software licences

IT equipment, such as personal computers and related items, are purchased in bulk through the University's central purchasing and supply system. These items are capitalised as a single group of equipment and depreciated in accordance with i) and iii) above.

IT software licences are treated as a revenue cost and are charged to the Consolidated Statement of Comprehensive Income in the year of purchase.

IT software development is treated as an intangible asset.

vii) Maintenance of premises

The cost of routine maintenance is charged to the Consolidated Statement of Consolidated Income in the period in which it is incurred. The university has a long-term planned maintenance programme, which is reviewed on an annual basis. The university charges actual expenditure on long-term planned maintenance to the Consolidated Statement of Consolidated Income in the period in which it is incurred.

viii) Heritage assets

Heritage assets are defined as assets that are held principally for their contribution to knowledge and culture.

An independent antiques and fine art assessor valued the heritage assets as at 12 March 2016 on the basis of the value for insurance purposes. Those assets, which are valued either individually or as a group at or in excess of £10,000, are recognised in the Consolidated Statement of Financial Position at deemed cost, being this valuation.

Heritage assets are not depreciated since their long economic life and high residual value are an indication that any depreciation charge is immaterial. They are subject to an annual impairment review at the reporting date. They are maintained and the cost of maintenance charged to the Consolidated Statement of Comprehensive Income as incurred. A revaluation has not been performed based on our assessment, that this cannot be obtained at a cost which is commensurate with benefits to the user of the financial statements.

ix) Investment properties

An investment property can comprise land, buildings or part of a building and is one that is used to earn rentals or for capital appreciation or for both, rather than for the supply of goods or services. Property that is used with a primary purpose of supporting education does not meet the definition of an investment property and is accounted for as a tangible fixed asset.

Mixed use property is separated between investment property and fixed assets where rental income is considered material. Where the fair value of the investment property component cannot be measured reliably without undue cost or effort the entire property is accounted for as a tangible fixed asset.

After initial recognition at cost, an investment property is measured at fair value, with any changes in fair value recognised immediately within gains or losses on investments in the Consolidated Statement of Comprehensive Income. Investment properties are not depreciated but are revalued or reviewed as at 31 July each year.

5. INTANGIBLE ASSETS

Intangible assets are recorded at cost and amortised over their expected useful life as follows:

Intangible asset	Lifespan
Software	Over expected useful life (3 to 10 years)

6. LEASES

Rental costs under operating leases are charged to the Consolidated Statement of Comprehensive Income in equal amounts over the periods of the leases. Any lease premiums or incentives are spread over the minimum lease term.

7. REVENUE

i) Tuition fees

Revenue from tuition fees represents student fees received and receivable that are attributable to the studies undertaken in the current accounting period. Where the amount of the tuition fee is reduced by a discount then the income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

ii) Funding body grants

Income from Office for Students (OfS) recurrent grants is in support of general or specific revenue activities of the university. The income is credited direct to the Consolidated Statement of Comprehensive Income on an accruals basis.

Other government grant income is recognised in income on an accruals basis.

Government capital grants and contributions received by the university to finance the construction or purchase of capital assets are accounted for as deferred capital grants and released to the Consolidated Statement of Comprehensive Income over the expected useful life of the related assets (or the period of the grant in respect of specific projects).

Deferred income in respect of the OfS capital grant, which is attributable to subsequent years, is shown and is reported under creditors due within one year and falling due after more than one year in the Consolidated Statement of Financial Position.

iii) Research grants and contracts

Research grants from government and non-government sources are released to the Consolidated Statement of Comprehensive Income as performance criteria are met.

iv) Commercial research and consultancy revenue

Revenue from commercial research contracts, consultancy and other services rendered is recognised using the 'percentage of completion' method and is shown under ‘Research’.

v) Other Income

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

vi) Investment Income

All income from short-term deposits and endowment asset investments is credited to the Consolidated Statement of Consolidated Income on a receivable basis and is shown under ‘Investment Income’.

vii) Donations and Endowments

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

Endowment assets are reported under investments and cash and cash equivalents.

viii) Donations with no restrictions

Charitable donations with no restrictions are recognised in the Consolidated Statement of Comprehensive Income when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability. This includes all donations under £1,000.

ix) Donations and endowments with restrictions

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as restricted reserves with additional disclosure provided within the notes to the accounts.

There are three main types:

i) Restricted expendable endowments

The donor has specified a particular objective. These are recorded in the Consolidated Statement of Comprehensive Income on entitlement and retained within a restricted endowment reserve until such time that expenditure is incurred in line with the restriction. The university applies a de-minimis of £5,000 for expendable endowments.

ii) Donations with restrictions

The donation doesn’t meet the expendable endowment criteria where the general use of the funds is specified by the donor. These are recorded in the Consolidated Statement of Comprehensive Income on entitlement and retained within a restricted reserve until such time that expenditure is incurred in line with the restriction.

iii) Restricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective. Income is recognised on entitlement. Investment returns are recognised immediately and held within the endowment reserve, to the extent that it has not been spent.

Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the Consolidated Statement of Comprehensive Income to restricted endowments.

Any realised gains or losses from dealing in the related assets are retained within the endowment in the Consolidated Statement of Financial Position.

ix) Donations for fixed assets

All non-government donations are released to the Consolidated Statement of Comprehensive Income as donations. Government donations are treated as deferred capital grants.

Donations received to be applied to the cost of land are recognised by inclusion as 'Donations' in the Consolidated Statement of Comprehensive income.

x) Gifts in kind, including donated tangible fixed assets

Gifts in kind are included in 'other income' or 'deferred capital grants' as appropriate using a reasonable estimate of their gross value or the amount actually realised.

8. STOCK

Stocks are stated at the lower of cost and net realisable value. Consumable items are charged directly to the Consolidated Statement of Comprehensive Income. The first in, first out (FIFO) method is used for costing stock.

9. INCOME TAX

Taxation status

The institution is an exempt charity within the meaning of part 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and does pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by 478-488 of the Corporation Tax Act 2010 (CTA2010) 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.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

10. DEFERRED TAXATION

Provision is made for deferred taxation in respect of subsidiary companies, using the liability method on all material timing differences.

11. EMPLOYEE BENEFITS

i) Short-term employee benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employee renders the service to the university. Any unused benefits are accrued and measured as the additional amount the university expects to pay as a result of the unused entitlement.

ii) Post-employment benefits

Retirement benefits to employees of the university are provided by defined benefit schemes that are funded by contributions from the university and employees.

Payments are made to the Teachers' Pension Scheme and the Universities Superannuation Scheme for academic staff and to the Local Government Pension Scheme for support staff. These are all independently administered schemes. Pension costs are assessed on the latest actuarial valuations of the schemes.

For the Local Government Pension Scheme, the assets of the scheme are included at closing market value and scheme liabilities are measured on an actuarial basis using the projected unit credit method. The difference between the fair value of assets and liabilities measured on an actuarial basis, net of the related amount of deferred tax, is recognised in the university's Consolidated Statement of Financial Position as a pension scheme liability or asset as appropriate. A surplus is only included to the extent that the university is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The following are recognised in the Consolidated Statement of Comprehensive Income:

a) Changes in the defined asset or liability arising from factors other than cash contributions to the scheme

b) Actuarial gains and losses

c) Interest charges/returns by applying the discount rate to the net pension deficit/surplus

The Teachers' Pension Scheme (TPS) is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities attributable to University members and therefore is accounted for as a defined contribution scheme. Contributions made are recognised as an expense in the Consolidated Statement of Comprehensive Income in the periods during which services are rendered by employees. It is an unfunded scheme and contributions are made at the rate set by the Government Actuary.

The Universities Superannuation Scheme (USS) is a hybrid pension scheme, providing defined benefits, as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Due to the nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme.

Provision is made for enhanced pensions where employees have taken early retirement.

Also, a provision is made for any contractual commitment to fund any past deficits within the Universities Superannuation Scheme.

12. BASIS OF CONSOLIDATION

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position include the Annual Accounts of the corporation and its operating subsidiary undertakings. Details of the university's subsidiary undertakings are provided in the notes to the accounts. The Annual Accounts have been consolidated under the acquisition method of accounting; intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of De Montfort University Students' Union Limited, as it is a separate limited company over which the university does not exert control or dominant influence over policy decisions.

The consolidated financial statements do not include those of Venuesim Limited as the entity is not material to the Group.

13. FINANCIAL INSTRUMENTS

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

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

Financial assets

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

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

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an immaterial risk of changes in value i.e. price risk. Cash and cash equivalents consist of cash on hand, demand deposits and short-term deposits/highly liquid investments, less bank overdrafts, which are repayable on demand. Short-term deposits included within cash and cash equivalents are those with maturity at the date of acquisition of three months or less.

The university regularly reviews its aged accounts receivable and records an impairment for its estimate of unrecoverable items.

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

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

Financial liabilities

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

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

Bonds and long-term borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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

14. INTEREST PAYABLE

Interest is capitalised on borrowings to finance major property development to the extent that it accrues in respect of the period of development. Such costs are capitalised as part of the specific asset.

Other interest payable is charged to the Consolidated Statement of Comprehensive Income.

15. STAFF RESTRUCTURING COSTS

Restructuring costs are recognised in respect of the direct expenditure of a reorganisation, where plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken at the Consolidated Statement of Financial Position date.

16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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 will be required or the amount of the obligation cannot be measured reliably.

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

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

17. FOREIGN CURRENCIES

The consolidated financial statements are presented in pounds sterling, which is the group's functional and presentation currency. The group does not include any foreign entity. Transactions denominated in foreign currencies are recorded at the exchange rate on the transaction date, while assets and liabilities are translated at exchange rates at the Consolidated Statement of Financial Position date. The resulting exchange rate differences are recognised in the Consolidated Statement of Comprehensive Income.

18. OPERATING SEGMENTS

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of services undertaken by the group rather than geographical location. As permitted by IFRS 8, this is appropriate on the basis of the similarity of the services provided, the nature of the risks associated, the type and class of customer and the nature of the regulatory environment across all of the geographical locations in which the group operates. No specific segments are reported internally for management purposes but relevant information is disclosed in the financial statements as part of the analysis of income in Note 1 and expenditure in Note 5. Assets and liabilities are not reported by operating segment.

Consolidated and Corporation Statement of Comprehensive Income for the year ended 31 July 2024

Income	Notes	Group 2024 £'000	Group 2023 £'000	Corporation 2024 £'000	Corporation 2023 £'000
Tuition fees and education contracts	1a	216,029	220,264	216,029	220,264
Funding body grants	1b	17,863	20,566	17,863	20,566
Research grants and contracts	1c	3,710	5,397	3,677	5,386
Other income	1d	13,160	13,628	12,925	13,064
Investment income	1e	9,841	6,203	9,829	6,196
Donations and endowments	1f	265	267	265	267
Total income		**260,868**	**266,325**	**260,588**	**265,743**
Expenditure					
Staff costs	2	141,224	142,354	141,044	142,130
Staff restructuring costs	2e	1,294	968	1,294	968
Other operating expenses	3	87,381	78,031	87,281	77,673
Interest and other finance costs	4	5,013	5,059	5,013	5,059
Intangible amortisation	8	4,393	4,139	4,393	4,139
Depreciation	9	13,431	12,982	13,431	12,982
Total expenditure	**5**	**252,736**	**243,533**	**252,456**	**242,951**
Surplus before other (losses)/gains		**8,132**	**22,792**	**8,132**	**22,792**
(Loss)/gain on disposal of property, plant and equipment		(70)	11	(70)	11
Gain/(loss) on investments		4,616	(378)	4,616	(378)
Surplus before tax		**12,678**	**22,425**	**12,678**	**22,425**
Taxation	7	(34)	(13)	(34)	(13)
Surplus for the year		**12,644**	**22,412**	**12,644**	**22,412**
Actuarial (loss) in respect of pension schemes	27d	(4,197)	(600)	(4,197)	(600)
Total comprehensive income for the year		**8,447**	**21,812**	**8,447**	**21,812**
Represented by:					
Endowment comprehensive income for the year		197	184	197	184
Restricted comprehensive (loss)/income for the year		(1)	1	(1)	1
Unrestricted comprehensive income for the year		8,244	21,627	8,244	21,627
Revaluation reserve comprehensive income for the year		7	-	7	-
		8,447	**21,812**	**8,447**	**21,812**

All items of income and expenditure relate to continuing activities.
The notes on pages 49 to 66 form part of these financial statements.

Consolidated and Corporation Statement of Changes in Reserves for the year ended 31 July 2024

		Income and expenditure account				
Group	Notes	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2023		**2,750**	**59**	**319,559**	**1,062**	**323,430**
Surplus/(loss) for the year		197	(1)	12,448	-	12,644
Other comprehensive expenditure		-	-	(4,197)	-	(4,197)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	(7)	7	-
Total comprehensive income/(loss) for the year		**197**	**(1)**	**8,244**	**7**	**8,447**
Balance at 31 July 2024		**2,947**	**58**	**327,803**	**1,069**	**331,877**

		Income and expenditure account				
	Notes	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2022		**2,566**	**58**	**297,932**	**1,062**	**301,618**
Surplus for the year		184	1	22,227	-	22,412
Other comprehensive expenditure		-	-	(600)	-	(600)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	-	-	-
Total comprehensive income for the year		**184**	**1**	**21,627**	**-**	**21,812**
Balance at 31 July 2023		**2,750**	**59**	**319,559**	**1,062**	**323,430**

		Income and expenditure account				
Corporation	Notes	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2023		**2,750**	**59**	**319,302**	**1,062**	**323,173**
Surplus/(loss) for the year		197	(1)	12,448	-	12,644
Other comprehensive expenditure		-	-	(4,197)	-	(4,197)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	(7)	7	-
Total comprehensive income/(loss) for the year		**197**	**(1)**	**8,244**	**7**	**8,447**
Balance at 31 July 2024		**2,947**	**58**	**327,546**	**1,069**	**331,620**

		Income and expenditure account				
	Notes	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2022		**2,566**	**58**	**297,675**	**1,062**	**301,361**
Surplus for the year		184	1	22,227	-	22,412
Other comprehensive income		-	-	(600)	-	(600)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	-	-	-
Total comprehensive income for the year		**184**	**1**	**21,627**	**-**	**21,812**
Balance at 31 July 2023		**2,750**	**59**	**319,302**	**1,062**	**323,173**

The notes on pages 49 to 66 form part of these financial statements.

Consolidated and Corporation Statement of Financial Position as at 31 July 2024

Non-current assets	Notes	Group 2024 £'000	Group 2023 £'000	Corporation 2024 £'000	Corporation 2023 £'000
Intangible assets	8	9,859	12,943	9,859	12,943
Tangible fixed assets	9	285,284	281,717	285,284	281,717
Heritage assets	10	1,073	1,073	1,073	1,073
Investment properties	11	587	579	587	579
Investments	12	42,230	34,202	42,540	34,512
Total non-current assets		**339,033**	**330,514**	**339,343**	**330,824**
Current assets					
Stocks	13	139	123	139	123
Trade and other receivables	14	17,729	17,413	17,634	17,134
Investments	15	110,493	80,113	110,493	80,113
Cash and cash equivalents	22	55,428	92,582	55,427	92,551
Total current assets		**183,789**	**190,231**	**183,693**	**189,921**
Less: Creditors: amounts falling due within one year	16	(66,713)	(74,473)	(67,184)	(74,730)
Net current assets		**117,076**	**115,758**	**116,509**	**115,191**
Total assets less current liabilities		**456,109**	**446,272**	**455,852**	**446,015**
Creditors: amounts falling due after more than one year	17	(121,120)	(120,076)	(121,120)	(120,076)
Provisions					
Pension provisions	27d	-	-	-	-
Other provisions	18	(3,112)	(2,766)	(3,112)	(2,766)
Total net assets		**331,877**	**323,430**	**331,620**	**323,173**
Restricted reserves					
Income and expenditure reserve - endowment fund	19	2,947	2,750	2,947	2,750
Income and expenditure reserve - restricted reserve	20	58	59	58	59
Unrestricted reserves					
Income and expenditure reserve - unrestricted		327,803	319,559	327,546	319,302
Revaluation reserve		1,069	1,062	1,069	1,062
Total unrestricted reserves		**328,872**	**320,621**	**328,615**	**320,364**
Total reserves		**331,877**	**323,430**	**331,620**	**323,173**

The financial statements were approved and authorised for issue by the Board of Governors on 12 December 2024 and 16 December 2024 respectively. They were signed on its behalf by:

Mr Ian Squires
Chair of the Board of Governors

Professor Katie Normington
Chief Executive and Vice-Chancellor

This statement should be read in conjunction with the report of the Chairman, the Operating and Financial Review and Notes to the Accounts. The notes on pages 49 to 66 form part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Surplus for the year before taxation		12,678	22,425
Adjustment for non-cash items			
Depreciation of tangible fixed assets	9	13,431	12,982
Amortisation of intangible assets	8	4,393	4,139
(Gain)/loss on investments		(4,616)	378
Increase in stock		(16)	(10)
(Increase)/decrease in debtors		(316)	6,160
(Decrease)/increase in creditors		(8,018)	7,278
Non-cash pension movement	27	(4,094)	(240)
Increase/(decrease) in provisions		304	(1,657)
Adjustment for investing or financing activities			
Investment income	1e	(9,841)	(6,203)
Interest payable	4	5,013	5,059
Endowments received	19	(220)	(234)
Loss on the disposal of fixed assets		70	-
Capital grants income		(2,411)	(2,727)
Cash inflow from operating activities		**6,357**	**47,350**
Taxation		(34)	(13)
Net cash inflow from operating activities		**6,323**	**47,337**
Cash flows from investing activities			
Capital grants receipts		3,581	640
Transfer to deposits/short term investments		(30,380)	(20,113)
Investment income		9,738	5,843
Payments made to acquire tangible assets		(17,068)	(7,645)
Payments made to acquire intangible assets		(1,309)	(464)
Payments made to acquire non-current investments		(3,421)	(493)
Net cash outflow from investing activities		**(38,859)**	**(22,232)**
Cash flows from financing activities			
Interest paid		(4,838)	(4,838)
New Endowments		220	234
Net cash outflow from financing activities		**(4,618)**	**(4,604)**
(Decrease)/increase in cash and cash equivalents in the year		**(37,154)**	**20,501**
Cash and cash equivalents at the beginning of the year		92,582	72,081
Cash and cash equivalents at the end of the year		55,428	92,582
(Decrease)/Increase in cash and cash equivalents in the year		**(37,154)**	**20,501**

The notes on pages 49 to 66 form part of these financial statements.

Notes to the accounts for the year ended 31 July 2024

1. Analysis of income	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
a) Tuition fees and education contracts				
Home and EU students	120,694	130,625	120,694	130,625
Overseas students	92,166	86,230	92,166	86,230
Education contracts	2,257	1,023	2,257	1,023
Other contracts	912	2,386	912	2,386
Total	**216,029**	**220,264**	**216,029**	**220,264**
b) Funding body grants				
Recurrent grants				
Office for Students	14,244	16,401	14,244	16,401
Education and Skills Funding Agency	247	292	247	292
Specific grants				
Higher Education Innovation Fund	987	982	987	982
Connection Capability Fund	-	(24)	-	(24)
Hardship Funding	-	214	-	214
Release of capital grants				
Buildings	959	939	959	939
Equipment	1,426	1,762	1,426	1,762
Total	**17,863**	**20,566**	**17,863**	**20,566**
c) Research grants and contracts				
Research councils	1,462	1,708	1,462	1,708
UK-based charities	809	792	809	792
European Commission	238	962	238	962
Other grants and contracts	1,201	1,935	1,168	1,924
Total	**3,710**	**5,397**	**3,677**	**5,386**
d) Other income				
Residences and catering	3,231	3,315	3,231	3,315
Other services rendered	2,557	1,645	2,073	953
Other income	5,791	5,461	6,040	5,589
Royalty income	1,555	3,181	1,555	3,181
Other capital grants	26	26	26	26
Total	**13,160**	**13,628**	**12,925**	**13,064**
e) Investment income				
Interest from short-term investments	8,754	4,891	8,742	4,884
Interest from long-term investments	851	850	851	850
Income from restricted expendable endowments	70	46	70	46
Income from restricted permanent endowments	42	38	42	38
Other investment income	21	18	21	18
Net financing returns in pension scheme assets	103	360	103	360
Total	**9,841**	**6,203**	**9,829**	**6,196**
f) Donations and endowments				
New endowments	220	234	220	234
Donations with restrictions	10	33	10	33
	35	-	35	-
Total	**265**	**267**	**265**	**267**
Total income	**260,725**	**266,325**	**260,588**	**265,743**

1. Analysis of income	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
g) Grant and fee income				
Grant income from the OfS	16,876	19,608	16,876	19,608
Grant income from other bodies	4,697	6,355	4,644	6,344
Fee income for research awards	1,788	2,144	1,788	2,144
Fee income from non-qualifying courses	912	2,386	912	2,386
Fee income for taught awards	213,329	215,734	213,329	215,734
Total	**237,602**	**246,227**	**237,569**	**246,216**

2. Staff costs a) Staff costs	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Wages and salaries	110,710	107,594	110,530	107,370
Social security costs	11,480	11,315	11,480	11,315
Other pension costs	25,151	24,326	25,151	24,326
USS pension charge for the year	(69)	(153)	(69)	(153)
De-recognition of USS pension provision	(1,954)	(488)	(1,954)	(488)
The financial effects of LGPS pension scheme	(4,094)	(240)	(4,094)	(240)
Total	**141,224**	**142,354**	**141,044**	**142,130**

b) Employee numbers

The average number of persons employed during the year, expressed as full-time equivalents, are disclosed below:	2023/24	2022/23
Academic		
Full-time	971	951
Part-time	267	242
Support	1,294	1,294
Total	**2,532**	**2,487**

c) Vice-Chancellor emoluments

i) Vice-Chancellor
The remuneration of the Vice-Chancellor is detailed below.

	2023/24 £'000	2022/23 £'000
Salary	261	249
Health insurance	2	1
Total excluding pension contributions	**263**	**250**
Pension contributions to USS	46	54
Total emoluments	**309**	**304**

The emoluments, including taxable benefits, of the Vice-Chancellor are shown on the same basis as for higher paid staff and exclude employer's National Insurance contributions.

The Contract of Employment of the Vice-Chancellor provides for termination by the Corporation on giving six months' notice.

Relationship between Vice-Chancellor remuneration and other employees

The Vice-Chancellor's basic salary is 5.8 times the median pay of staff (2023: 5.7 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the institution to its staff. The ratio reflects the full year basic salary equivalent for the Vice-Chancellor.

The Vice-Chancellor's total remuneration is 5.6 times the median total remuneration of staff (2023: 5.7 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the institution of its staff. The ratio reflects the full year remuneration equivalent for the Vice-Chancellor.

Note that due to the way in which part-time hourly paid academic staff's pay is structured, the FTE salary calculation includes broader remuneration accounted for in their hourly rate of pay.

Justification for remuneration package

The university abides by the voluntary ‘Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code (2021)’ in determining the remuneration level for senior pay, including the Vice-Chancellor’s. The code includes expectations around fairness and transparency, along with the need to be clear regarding the responsibilities, context and expected contribution of the postholder, balanced with the need to demonstrate the achievement of value for money in the use of resources and to be able to offer a remuneration package sufficient to be able to retain and motivate a postholder of an appropriate calibre in an intensively competitive global environment.

The remuneration level for the Vice-Chancellor’s pay is determined by drawing upon the Universities and Colleges Employers Association annual benchmarking data for the Higher Education sector. The comparator organisations used from this data is that of ‘Post 92 Universities by income’ and the current level of remuneration is set within the benchmarking parameters.

Amidst the difficult financial challenges that the Higher Education sector continues to face, the Vice-Chancellor is leading the university with a strategic vision to stabilise and diversify its position in the market. Sector leading initiatives such as Education 2030 have grown the university’s reputation and will be further enhanced to maximise digital platforms and create immersive education environments. This year has seen De Montfort secure global publicity by being a forerunner at the United Nations Climate Change Conference, COP28, and plans are in place to enhance our UN partnership.

Not only is the Dubai campus seeing a complete rebuild, the university has secured its first London based campus which will open its doors to students next year. As well as being the first UK university to achieve the Race Equality Charter Silver Award, De Montfort has now been awarded the highest position for a university in the Stonewall rankings.

d) Remuneration of higher paid staff

The full-time equivalent basic salary of higher paid staff (including the Vice-Chancellor), excluding employer's pension contributions was within the ranges set out below. Staff who joined or left part-way through a year have been excluded. Basic salaries are determined as at 31 July.

	2023/24	2022/23
£100,000 to £104,999	14	6
£105,000 to £109,999	2	3
£110,000 to £114,999	1	-
£120,000 to £124,999	1	-
£125,000 to £129,999	-	1
£130,000 to £134,999	3	3
£135,000 to £139,999	4	1
£140,000 to £144,999	-	2
£145,000 to £149,999	4	1
£150,000 to £154,999	1	1
£245,000 to £249,999	-	1
£260,000 to £264,999	1	-

The Board of Governors has agreed the terms of reference, policy and guidelines for DMU’s Remuneration Committee that determines membership, responsibilities and how they must carry out their role. The Remuneration Committee is responsible for meeting the obligations described in those documents and has oversight of their implementation in relation to senior staff remuneration and severance arrangements. These documents and the approach taken to comply with the Committee of University Chairs Higher Education Senior Staff Remuneration Code can be found on our website.

The Remuneration Committee has a specific remit for determining the remuneration of the Vice-Chancellor and those roles determined to be Senior Post-holders who, within the reference period, were all members of the University Leadership Board. The reference period for determining pay during 2023/24 is 2022/23 as pay is reviewed in the first academic term of the following academic year i.e. Autumn 2023.

The Remuneration Committee has its own terms of reference, which include membership and responsibilities, as well as a set of guidelines detailing the role and remit of the committee and the information that is required by the committee to support determination of remuneration decisions. These documents describe the university’s policy approach to determining remuneration for those within the remit of the remuneration committee and can be found on our website.

Higher Education benchmarking data is used to guide remuneration decisions and more details can be found in the guidance described above. In order to determine the salary of the Vice-Chancellor and other Senior Post-holders, data on post 92 universities data is considered as well as those universities that are considered to be immediate and aspirational competitors recognising that our aim is to secure and retain those who can enable and drive the university’s progress.

Key management personnel

The University Leadership Board members are classed as key management personnel whom have authority and responsibility for planning, directing and controlling the activities of the institution. Staff costs includes compensation paid to key management personnel. Compensation consists of salary and benefits including any employer's pension contribution.

	2023/24 £'000	2022/23 £'000
Key management personnel	2,872	2,714

e) Restructuring costs – group and corporation
The total amount of any compensation for loss of office paid across the institution

	2023/24 £'000	2022/23 £'000
Staff restructuring costs	1,294	968
Number of staff to whom this was payable to	53	91

3. Other operating expenses	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Fees payable to the auditor for the audit of the University's financial statements	197	169	197	169
Additional fees payable to the auditor for the audit of prior year financial statements	44	-	44	-
Audit of the financial statements of subsidiaries	35	34	-	-
Audit related assurance services	7	8	7	8
Internal audit services	223	178	223	178
Legal, professional, agency and consultancy fees	36,788	30,627	37,082	30,755
Administrative expenses	6,745	9,191	6,549	8,857
Publicity	5,579	5,543	5,579	5,543
General education expenses	3,637	3,230	3,507	3,136
Consumables	10,094	9,584	10,078	9,564
Repairs and general maintenance	3,088	2,778	3,088	2,778
Student bursaries	2,714	3,206	2,714	3,206
Travel and subsistence	2,609	2,296	2,604	2,293
Energy	5,897	4,429	5,897	4,429
Residences and catering	1,818	1,617	1,818	1,617
Rent, rates and insurance	2,903	1,795	2,903	1,795
Grant to De Montfort University Students' Union Limited	1,350	1,228	1,350	1,228
Staff development	1,288	1,177	1,285	1,176
Other	2,365	941	2,356	941
Total	87,381	78,031	87,281	77,673

	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Other operating expenses include:				
Operating leases – buildings	464	419	464	419
Operating leases – equipment	156	23	156	23

Governors

In 2023/24, one governor was entitled to remuneration for their role as Chair of the Board of Governors. One further governor was entitled to remuneration as Chairs of Committees until August 2023. A total of £28,764 (2022/23 - £36,512 to three governors) is payable for this financial year.

The total expenses payable to or on behalf of twenty governors was £5,444 (2022/23: £3,388 to twelve governors). This represents travel and subsistence incurred in attending Board and Committee meetings in their official capacity.

4. Interest payable – group and corporation

	2023/24 £'000	2022/23 £'000
Interest on USS	42	88
Interest on bond	4,838	4,838
Bond transaction costs	133	133
Total	**5,013**	**5,059**

5. Analysis of 2023/24 expenditure by activity group and corporation

	Staff costs	Other operating expenses	Depreciation and amortisation	Interest	2023/24 Total	2022/23 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	88,919	11,851	2,140	-	102,910	93,714
Academic services	17,521	11,594	6,704	-	35,819	34,562
Admin and central services	14,791	12,280	729	-	27,800	19,528
General education expenditure	1,906	29,762	-	-	31,668	39,549
Staff and student facilities	12,238	7,358	10	-	19,606	19,805
Premises	7,037	11,645	8,076	-	26,758	23,870
Residences and catering	572	1,142	165	74	1,953	1,561
Research grants and contracts	1,878	1,709	-	-	3,587	4,681
Other expenditure	456	40	-	4,939	5,435	5,535
Provision for restructuring	1,294	-	-	-	1,294	968
Pension scheme's adjustment	(4,094)	-	-	-	(4,094)	(240)
Total	**142,518**	**87,381**	**17,824**	**5,013**	**252,736**	**243,533**

The depreciation and amortisation charge has been funded by:

	£'000
Deferred capital grants released	2,411
General income	15,413
Total	**17,824**

6. Access and Participation Group and Corporation

	2023/24 Actual £'000	2023/24 Plan £'000	2022/23 Actual £'000	2022/23 Plan £'000
Access Investment	1,923	1,352	1,314	1,326
Financial Support	1,587	2,419	1,874	2,372
Disability Support	2,007	1,216	1,809	1,192
Total	**5,517**	**4,987**	**4,997**	**4,890**

£3,299,000 (2022/23: £2,649,000) of these costs are already included in the overall staff costs figures included in note 2.

A copy of our published access and participation plan can be found by following this link to our website:

https://www.dmu.ac.uk/documents/university-governance/access-participation-plan-2020-2025.pdf

Access investment is higher than the plan because the University has invested in outreach activities. Financial support is lower than the plan resulting from there being no employability bursary as planned and a reduction in access scholarship expenditure, however the University continues to spend on student hardship in excess of the plan. Disability support expenditure is higher than the plan due to increased spend for disability provision and further spend resulting from the assessment centre in this area.

7. Taxation – group and corporation

	2023/24 £'000	2022/23 £'000
Corporate Income Tax (CIT) paid	34	13
Total	**34**	**13**

Tax is payable to relevant overseas tax authorities, for activity relating undertaken with overseas partners.

8. Intangible fixed assets

	Software	Assets under construction	Total
	£'000	£'000	£'000
Group and Corporation Cost			
At 1 August 2023	34,801	568	35,369
Additions at cost	1,072	237	1,309
Transfers from assets under construction	568	(568)	-
At 31 July 2024	**36,441**	**237**	**36,678**
Amortisation			
At 1 August 2023	22,426	-	22,426
Amortisation charge for the year	4,393	-	4,393
At 31 July 2024	**26,819**	**-**	**26,819**
Net book value:			
At 31 July 2024	**9,622**	**237**	**9,859**
At 31 July 2023	12,375	568	12,943

9. Tangible fixed assets

	Land and buildings	Assets under construction	Furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Group and Corporation Cost or Valuation					
At 1 August 2023	343,430	1,863	17,458	38,189	400,940
Additions at cost	2,874	5,973	1,530	6,691	17,068
Transfers from assets under construction	844	(1,618)	293	481	-
Disposals	-	(70)	(232)	(7,292)	(7,594)
At 31 July 2024	**347,148**	**6,148**	**19,049**	**38,069**	**410,414**
Depreciation					
At 1 August 2023	73,834	-	13,100	32,289	119,223
Charge for the year	8,030	-	1,626	3,775	13,431
Disposals	-	-	(232)	(7,292)	(7,524)
At 31 July 2024	**81,864**	**-**	**14,494**	**28,772**	**125,130**
Net book value:					
At 31 July 2024	**265,284**	**6,148**	**4,555**	**9,297**	**285,284**
At 31 July 2023	269,596	1,863	4,358	5,900	281,717

The net book value of tangible fixed assets held under finance leases at 31 July 2024 was nil (31 July 2023: nil).
Land and buildings includes £9.4m (31 July 2023: £9.4m) of university-owned land that is not depreciated.

	Group and corporation	
The net book value of land and buildings is comprised as follows:	2023/24 £'000	2022/23 £'000
Freehold	258,611	262,477
Long lease and short lease	6,673	7,119
Total	**265,284**	**269,596**

10. Heritage assets

	2023/24 £'000	2022/23 £'000
Group and corporation		
Cost or valuation		
At 1 August	1,073	1,073
At 31 July	**1,073**	**1,073**

The university holds a number of pieces of artwork, these were re-valued in 2016 and in accordance with the universities accounting policies the annual impairment review has been undertaken and identified no adjustment to be made to the value of these assets.

11. Investment properties

	2023/24 £'000	2022/23 £'000
Group and corporation		
Cost or valuation		
At 1 August	579	-
Transfers from tangible fixed assets	-	437
Revaluations	8	142
At 31 July	**587**	**579**

As at 31 July 2024, the Board of Governors have revalued the investment properties in accordance with the requirements of FRS 102, using available market data.

12. Non-current investments

	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Movement in the year				
Balance at beginning of year	34,202	34,229	34,512	34,539
Additions	3,421	493	3,421	493
Fair value adjustments	4,607	(520)	4,607	(520)
Balance at year end	**42,230**	**34,202**	**42,540**	**34,512**
Analysis of closing balance				
Shareholding in subsidiary undertakings (a)	-	-	310	310
Other investments (b)	40,945	33,018	40,945	33,018
Shareholding in CVCP Properties PLC	38	38	38	38
Securities and fixed interest stock for endowments	1,247	1,146	1,247	1,146
Total	**42,230**	**34,202**	**42,540**	**34,512**

Included within investments is the notional reserve representing the requirement to provide for the repayment of the bond in the form of a bond redemption fund of £15m every five years (note 28). Since the bond was issued in 2012, a total of £36m has been invested.

a) Shareholdings in subsidiary undertakings

At year end, investments in subsidiary undertakings comprise:

Directly owned by the university:	Group holding %	Corporation 2023/24 £	Corporation 2022/23 £	Description of activities
De Montfort Expertise Ltd	100	310,000	310,000	Provision of contract research and development
Venuesim Limited	66	600	600	Information technology service activities
Innovative Educational Partnerships Limited	100	1	1	Higher level education
Leicester Business School Ltd	100	1	1	Dormant company
Leicestershire Business School Ltd	100	1	1	Dormant company
CYPS Ltd	100	100	100	Dormant company
InSmart Limited	100	100	100	Dormant company
Total		**310,803**	**310,803**	

All of the subsidiary undertakings are incorporated in England and Wales.

b) Other investments

Other investments consist of: At fair value:	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
At fair value:				
Market securities	40,911	32,990	40,911	32,990
Group investments in spinouts (i)	34	28	34	28
Total	**40,945**	**33,018**	**40,945**	**33,018**

(i) Group investments in spinouts	Holding %	Corporation 2023/24 £	Corporation 2022/23 £	Description of activities
Incanthera PLC	11.06	8,791	1,892	Drug development and research
Morvus Technology Limited	0.40	589	589	Drug development and research
Orbit RRI Limited	20.00	1	1	Provider of RRI training
IP By Design Limited	10.00	25,000	25,000	Intellectual property management consultancy
Total		**34,381**	**27,482**	

13. Stocks – group and corporation

	2023/24 £'000	2022/23 £'000
Goods for resale	2	2
Art and design supplies	137	121
Total	**139**	**123**

14. Trade and other receivables

	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Amounts falling due within one year				
Student receivables	4,063	4,666	4,064	4,666
Other receivables	4,075	3,825	4,038	3,770
Research grants receivables	3,246	3,566	3,202	3,407
Prepayments and accrued income	6,345	5,356	6,330	5,291
Total	**17,729**	**17,413**	**17,634**	**17,134**

15. Current Investments

In accordance with its Treasury Management Policy, the university regularly invests surplus funds on deposit or on the money market.

At 31 July 2024, £110,493,000 of Group and Corporation funds were on short term deposit (31 July 2023: £80,113,000).

16. Creditors: amounts falling due within one year

	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Payments received in advance	37,409	48,653	37,396	48,635
Trade creditors	4,790	2,960	4,789	2,957
Other creditors	6,859	6,538	6,838	6,525
Taxation	1,681	1,864	1,661	1,849
Social security	1,439	1,934	1,422	1,916
Accruals	14,355	12,345	13,827	11,949
Student caution deposits	180	179	180	179
Subsidiary undertakings	-	-	1,071	720
Total	**66,713**	**74,473**	**67,184**	**74,730**

Payments received in advance

Included within payments received in advance are the following items of income which have been deferred until specific performance related conditions have been met.

	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Research grants received on account	3,325	4,965	3,312	4,947
Capital grant income	2,635	2,377	2,635	2,377
Tuition fee income	28,734	40,101	28,734	40,101
Other income	2,715	1,210	2,715	1,210
Total	**37,409**	**48,653**	**37,396**	**48,635**

17. Creditors : amounts falling due after more than one year – group and corporation	2023/24 £'000	2022/23 £'000
Bond	90,000	90,000
Bond transaction costs	(2,399)	(2,532)
Bond Total	**87,601**	**87,468**
Deferred income - Capital grant income	33,519	32,608
Total	**121,120**	**120,076**

See note 28 for further details on the bond listing.

18. Provision for liabilities - group and corporation	Contractual dispute £'000	Restructuring provision £'000	Future pensions £'000	Taxation provision £'000	Obligation to fund deficit on USS pension £'000	Total £'000
At 1 August 2023	-	-	771	14	1,981	2,766
Utilised in year	-	-	(89)	(14)	(69)	(172)
Additions in year	1,500	901	-	31	42	2,474
Unused amounts reversed in year	-	-	(2)	-	(1,954)	(1,956)
At 31 July 2024	**1,500**	**901**	**680**	**31**	**-**	**3,112**

Contractual dispute: A provision of £1,500,000 has been included to reflect the risk of settlement in relation to a contractual dispute. Whilst no claim has been made against the university, this value represents management's best estimate of the probable obligation. The timing of the outflows is unknown pending the resolution of the dispute.

Restructuring: The provision for staff restructuring relates to agreements that have been reached for early retirement and voluntary severance as at the Balance Sheet date.

Future pensions: The enhanced pension provision represents the future costs relating to former staff who were awarded enhancements to their Local Government Pension Scheme pensions when they were made redundant. Since it is the University that makes these payments to these pensioners and not the LGPS, provision for these payments is made on the basis of a present obligation arising from an obligation event for which there is an outflow which can be reliably estimated. An amount of £680,000 (2023: £771,000), is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the university of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

Taxation: Taxation is payable to relevant tax authorities.

19. Endowment reserves – group and corporation

	Unrestricted permanent £'000	Restricted permanent £'000	Restricted expendable £'000	2023/24 Total £'000	2022/23 Total £'000
At 1 August					
Capital	2	1,058	1,499	2,559	2,390
Accumulated income	-	191	-	191	176
Total	**2**	**1,249**	**1,499**	**2,750**	**2,566**
Investment income	-	42	70	112	83
Expenditure	-	(18)	(218)	(236)	(120)
Total	**-**	**24**	**(148)**	**(124)**	**(37)**
New endowments	-	45	175	220	234
Appreciation in market value of investments	-	101	-	101	(13)
At 31 July	**2**	**1,419**	**1,526**	**2,947**	**2,750**
Represented by:					
Capital value	2	1,204	1,526	2,732	2,559
Accumulated income	-	215	-	215	191
Total	**2**	**1,419**	**1,526**	**2,947**	**2,750**
Analysis by type of purpose:					
Scholarships and bursaries				1,961	1,785
Research support				110	105
Prize funds				707	651
General				169	209
Total				**2,947**	**2,750**
Analysis by asset:					
Current and non-current asset investments				1,247	1,146
Cash and cash equivalents				1,700	1,604
Total				**2,947**	**2,750**

20. Restricted reserves – group and corporation

Reserves with restrictions are as follows:

	Donations	
	2023/24 £'000	2022/23 £'000
Balance at 1 August	59	58
New donations	10	28
Expenditure	(11)	(27)
At 31 July	**58**	**59**

21. Lease obligations

	Land and buildings £'000	Other leases £'000	2023/24 £'000	2022/23 £'000
Payable during the year	464	156	**620**	**442**
Future minimum lease payments due:				
Not later than 1 year	2,314	225	**2,539**	**473**
Later than 1 year and not later than 5 years	17,893	564	**18,457**	**401**
Later than 5 years	15,167	-	**15,167**	**150**
Total lease payments due	**35,374**	**789**	**36,163**	**1,024**

22. Cash and cash equivalents

	At 1 August 2023 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2024 £'000
Consolidated				
Cash and cash equivalents	92,582	(37,154)	-	55,428
Total	**92,582**	**(37,154)**	**-**	**55,428**

23. Consolidated reconciliation of net fund / (debt)

	At 1 August 2023 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2024 £'000
Cash in hand	92,582	(37,154)	-	55,428
Debt due after 1 year	(87,468)	-	(133)	(87,601)
Total net fund / (debt)	**5,114**	**(37,154)**	**(133)**	**(32,173)**

In accordance with its Treasury Management Policy and Investment Policy, the University regularly invests surplus funds.

At 31 July 2024, £110,493,000 was in current investments (31 July 2023: £80,113,000).

At 31 July 2024, £42,230,000 was in long term investments (31 July 2023: £34,202,000).

Non-cash changes relate to amortisation of £4.0 million bond transaction costs over the 30 year life of the bond.

24. Capital and other commitments

	2023/24 Total £'000	2022/23 Total £'000
Provision has not been made for the following capital commitments at 31 July 2024:		
Commitments contracted for	5,533	3,230
Authorised but not contracted for	49,382	36,425
Total	**54,915**	**39,655**

Timing of capital commitments contracted for are expected to be fulfilled over the coming year and will be funded out of the university cash reserves.

25. Contingent liabilities

There are no material contingent liabilities.

26. Related party transactions

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

An updated Register of Interests for all members of the Board of Governors and University Leadership Board is maintained.

2023/24 Transactions	Income £'000	Expenditure £'000	Balance due from at 31 July 2024 £'000	Balance due to at 31 July 2024 £'000
De Montfort Students Union	-	1,371	-	-
Advance HE	5	126	-	6
Big Difference Company Limited	-	37	-	-
British Council	-	5	-	-
East Midlands Chamber (Derbyshire, Nottinghamshire, Leicester-shire)	4	20	-	-
North West Anglia NHS Foundation Trust	2	-	-	-
Shama Women's Centre	1	-	-	-

Beverley Shears, Independent Governor and Chair of the People and Culture Committee is a Trustee at De Montfort Student's Union and Non Executive Director at North West Anglia NHS Foundation Trust.

Paul Woodgates, Independent Governor is a Director at Advance HE Limited and Trustee at British Council.

Jonathan Kerry, Independent Governor is a Director at Big Difference Company Limited.

Stuart Dawkins, Independent Governor is a Non-Executive Director at East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire).

Catherine Normington, Ex-officio Governor is a Trustee at Shama Women's Centre.

2022/23 Transactions	Income £'000	Expenditure £'000	Balance due from at 31 July 2023 £'000	Balance due to at 31 July 2023 £'000
De Montfort Students Union	-	1,246	-	-
Leicester College	70	444	32	-
Advance HE Limited	5	147	-	18
Big Difference Company Limited	-	32	-	-
East Midlands Chamber (Derbyshire, Nottinghamshire, Leicester-shire)	158	17	-	-
North West Anglia NHS Foundation Trust	-	4	-	-
University Hospitals Derby and Burton NHS Foundation Trust	-	4	-	-
Shama Women's Centre	-	2	-	-
Wyggeston and Queen Elizabeth I Sixth Form College	54	-	7	-

Beverley Shears, Independent Governor and Chair of the People and Culture Committee is a Trustee at De Montfort Student's Union and Non-Executive Director at North West Anglia NHS Foundation Trust.

Jonathan Kerry, Independent Governor is a Governor at Leicester College and a Director at Big Difference Company Limited.

Paul Woodgates, Independent Governor is a Director at Advance HE Limited.

Stuart Dawkins, Independent Governor is a Non-Executive Director at East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire) and Governor at Wyggeston and Queen Elizabeth I Sixth Form College.

Sardip Sandhu, Independent Governor is Non-Executive Director at University Hospitals Derby and Burton NHS Foundation Trust.

Catherine Normington, Ex-officio Governor is a Trustee at Shama Women's Centre.

27. Pension schemes

a) The university's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Leicestershire County Council Pension Fund, a Local Government Pension Scheme (LGPS) and there is also a strictly limited membership in the Universities Superannuation Scheme (USS). The total pension cost for the year was as follows:

Total pension cost for the year	2023/24 £'000	2022/23 £'000
Teachers' Pension Scheme: contributions paid	13,343	11,846
Universities Superannuation Scheme: contributions paid	457	534
Local Government Pension Scheme (LGPS): contributions paid	11,351	11,946
Total other pension costs	**25,151**	**24,326**
The financial effects of LGPS pension scheme	(4,094)	(240)
Total	**21,057**	**24,086**

b) **Teachers' Pension Scheme**

Introduction

The HEI is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The valuation result has been implemented from 1 April 2024..

The employer's pension costs paid to TPS in the year to 31 July 2024 amounted to £13,343,283 (2022/23: £11,845,703).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The HEI has accounted for its contributions to the scheme as if it were a defined contribution scheme. The HEI has set out above the information available on the scheme.

Contributions amounting to £1,276,091 were payable to the scheme at 31 July 2024 (31 July 2023: £1,007,566) and are included within creditors.

c) Universities Superannuation Scheme

The total cost charged to the Consolidated Statement of Comprehensive Income is £456,776 (2023: £534,468).

Deficit recovery contributions due within one year for the institution is nil (2023: £158,599).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 18, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (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 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

Price inflation - Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 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 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, 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:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

d) Local Government Pension Scheme

The university participates in a defined benefit scheme in the UK, the Leicestershire County Council Pension Fund. A full actuarial valuation of the fund was carried out at 31 March 2022 by a qualified independent actuary. This was updated to 31 July 2024 for FRS 102 purposes by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2024	2023
Rate of increase in salaries	3.2%	2.9%
Rate of increase in pensions	2.7%	2.9%
Discount rate for liabilities	5.0%	5.1%
Inflation assumption	2.7%	2.9%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2024	2023
Retiring today		
Males	20.7 years	20.8 years
Females	23.7 years	23.8 years
Retiring in 20 years		
Males	21.1 years	21.3 years
Females	24.5 years	24.6 years

The major categories of plan assets as a percentage of total plan assets

	2024 %	2023 %
Equities	51%	57%
Bonds	34%	34%
Property	6%	7%
Cash	9%	2%

Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for the year ended 31 July 2024	2023/24 £'000	2022/23 £'000
Fair value of plan assets	331,421	330,827
Present value of funded liabilities	(278,409)	(320,661)
Effect of the asset ceiling	(53,012)	(10,166)
Opening position as at 1 August	**-**	**-**
Charged to staff costs		
Current service cost	(7,257)	(11,580)
Past service cost	-	(148)
Total service cost	**(7,257)**	**(11,728)**
Financing		
Interest income on plan assets	17,040	11,700
Interest costs on defined benefit obligation	(14,233)	(11,340)
Interest on the effect of the asset ceiling	(2,704)	-
Total net interest	**103**	**360**
Total defined benefit costs recognised	**(7,154)**	**(11,368)**
Cash flows		
Employer contributions	11,351	11,968
Total cash flows	**11,351**	**11,968**
Expected closing position	**4,197**	**600**
Remeasurements		
Changes in demographic assumptions	1,560	(455)
Changes in financial assumptions	5,067	89,946
Other experience	(9,194)	(35,853)
Return on assets excluding amounts included in net interest	15,919	(11,392)
Changes in the effect of the asset ceiling	55,716	10,166
	69,068	**52,412**
Restriction of pension asset recognised	(73,265)	(53,012)
Total remeasurements recognised in Other Comprehensive Income	**(4,197)**	**(600)**
Analysis of the movement in the fair value of plan assets		
Value of assets at 1 August	331,421	330,827
Interest income on plan assets	17,040	11,700
Plan participants' contributions	3,143	3,080
Employer contributions	11,351	11,968
Benefits paid	(9,050)	(7,625)
Other experience	-	(7,137)
Return on assets excluding amounts included in net interest	15,919	(11,392)
Value of assets at 31 July	**369,824**	**331,421**
Analysis of the movement in the present value of funded liabilities		
Present value of liabilities at 1 August	278,409	320,661
Current service cost	7,257	11,580
Past service cost	-	148
Interest cost on defined benefit obligation	14,233	11,340
Plan participants' contributions	3,143	3,080
Benefits paid	(9,050)	(7,625)
Changes in demographic assumptions	(1,560)	455
Changes in financial assumptions	(5,067)	(89,946)
Other experience	9,194	28,716
Present value of liabilities at 31 July	**296,559**	**278,409**
Fair value of plan assets	369,824	331,421
Present value of funded liabilities	(296,559)	(278,409)
Closing position as at 31 July	**73,265**	**53,012**
Pension surplus not recognised	(73,265)	(53,012)
Pension liability recognised in the statement of financial position	**-**	**-**

Since there is no unconditional right to the pension surplus, it has not been recognised.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2024	Approximate % increase to employer liability	Approximate monetary amount £'000
0.1% decrease in real discount rate	2%	6,242
1 year increase in member life expectancy	4%	11,862
0.1% increase in the salary rate increase rate	0%	246
0.1% increase in the pension increase rate (CPI)	2%	6,125

28. Financial instruments

	Group 2023/24 £'000	Group 2022/23 £'000	Corporation 2023/24 £'000	Corporation 2022/23 £'000
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income				
Listed Investments	42,158	34,136	42,158	34,136
Financial assets that are equity instruments measured at cost less impairment				
Other Investments	34	28	34	28

Financial instruments – Risk management

The group operates a centralised treasury function which is responsible for managing the credit, liquidity, interest & foreign currency risk associated with the group's activities. These financial risks are managed within parameters specified by the Treasury Management Policy and Investment Policy which govern all treasury and longer term investment activities and sets out relevant policy objectives and control measures as driven by the university's Financial Strategy. Key recommendations of the Code of Practice on Treasury Management in Public Services as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Office for Students (OfS) are adopted as appropriate. The Policy is reviewed and approved by the university Finance & Human Resources Committee annually.

The group's principal financial instruments are the bond, cash, short term deposits and investments. The core objective of these financial instruments is to meet financing needs of the group's operations. Additionally, the group has other financial assets and liabilities arising directly from its operations such as trade debtors and creditors.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's Treasury Management Policy and Bad Debt Write Off Policy lay out the framework for credit risk management. Credit risk is monitored on an on-going basis.

The group's credit risk arises from bank balances, investments, students, government and commercial debtors. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2024, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of credit becomes uncertain. A debtor deemed irrecoverable is written off in accordance with the Bad Debt Write Off policy. The concentration of risk is limited due to the student base being large and diverse, and all Home/EU students having access to the Student Loans Company to fund their tuition fees. The treasury management policy states maximum level of investments for each counterparty to mitigate risk concentration. Similarly, the group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of group's banks and money market funds is regularly monitored. Generally, the group does not require collateral against financial assets.

Liquidity risk

Liquidity risk refers to the risk that the group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds. The group reviews its minimum liquidity requirements to ensure cash is available between the three annual Student Loans Company remittances and invest excess funds to maximise investment in short term fixed deposits. At 31 July 2024, the group is holding cash deposits and investments of various maturities, none of which is greater than 12 months. The average maturity of any deposits or investments with a maturity date is 87 days.

The long term financing of the group relies on £90m, unsecured Eurobonds maturing in June 2042. The retained bonds held by or on behalf of the group were cancelled on 18 July 2017. The capital amount will be paid at maturity and coupon of 5.375% is paid semi-annually. The group may, at its option, redeem all, or from time to time any part of, the bonds at the higher of the following:

(a) the principle amount of the bonds to be redeemed; and

(b) the sum of the Gross Redemption Yield of the benchmark gilt (4.50% Treasury Gilt 2042) and 0.40% plus accrued interest.

Unless previously redeemed or purchased and cancelled, the bonds will be redeemed at their principle amount on 30 June, 2042.

Under the terms of the bonds, for so long as any of the bonds remains outstanding, in respect of each financial year, the group is to ensure that it’s total borrowing costs (as defined by trust deed) do not exceed 7% of the aggregate of:

(a) it’s total consolidated income for the financial year; and

(b) the total cash of the group as at the end of the financial year.

For financial year ending on 31 July 2024, the ratio was 1.71% (2022/23: 1.68%). The bonds may be redeemed at the option of the holder subject to the occurrence of certain events mentioned in the bond trust deed. Moody’s review of the university's credit rating in 2024 determined the credit rating to be A1 stable outlook (2022/23: A1 negative outlook).

Foreign currency risk

Foreign currency risk refers to the risk that the unfavourable movements in foreign exchange rate may cause financial loss to the group.

The group’s principal foreign currency exposures generally arise from research related receipts/payments and our operations in the UAE denominated in EUR and AED respectively .

In line with the treasury policy, the University holds minimal foreign currencies for its operations. Any surplus amounts are converted into pound sterling unless required for immediate foreign currency payments. Overall foreign currency exposure is immaterial, being insignificant portion of total Income and expenditure. At 31 July 2024, the sterling equivalent of all EUR and AED bank balances was £1.1m (2022/23 : £1.5m) and £1.2m (2022/23: £0.2m) respectively.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of Balance Sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investment risk). The group’s main financing relates to 30 years £90m bonds (2022/23: £90m). At 31 July 2024, balance sheet values of deposits and investments are not exposed to changes in interest rates. However, the group’s interest and investment income is exposed to changes in interest rates i.e. reinvestment rate risk. The group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. The group has no outstanding derivative instruments as at 31 July 2024.

Financial instruments – fair values

Group and Corporation

The fair values of each category of the group's financial instruments are the same as their carrying values in the group's Balance Sheet, other than as noted below:

	2023/24	2023/24	2022/23	2022/23
	Carrying value	Fair value	Carrying value	Fair value
	£m	£m	£m	£m
5.375%, Unsecured Bonds due 2042	87.6	96.1	87.5	93.4

Value of interest accrued at 31 July 2024 is £0.4m (31 July 2023: £0.4m).

The bond is listed on the London Stock Exchange, therefore categorised as Level 1 under the requirements of FRS 102 and valued using quoted ask price as at 31 July 2024 in compliance with FRS 102. The fair value of the bond is its market value at the Balance Sheet date. Market value includes accrued interest and changes in credit risk and interest rate risk, and is therefore different to the reported carrying amounts.

OfS requires the university to provide for the repayment of the bond in the form of a bond redemption fund of £15m every five years. The current value of this notional reserve is £36m held within investments (note 12).

Bond disclosures

An unsecured fixed rate public bond was issued in July 2012 in the sum of £110 million over a 30-year term with a coupon rate of 5.375%. The £20 million reserve bond which was held without coupon by the trustee for a five year period to July 2017 has since been withdrawn. There are no capital payments to be made over the term with the bond maturing in 2042.

DMU may, at its option, redeem all, or from time to time any part of, the bonds at the higher of the principal amount of the bonds and the sum of the gross redemption yield of the benchmark gilt (4.5% Treasury Gilt 2042) and 0.40%, plus accrued interest.

The bond transactions costs of £4.0 million are amortised over the life of the bond of 30 years to interest payable, with effect from financial year 2012/13.

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