



**ANNUAL REVIEW
& FINANCIAL
STATEMENTS 2020/21**

www.lboro.ac.uk



**Loughborough
University**

CONTENTS

2020/21 AT A GLANCE	01
FOREWORD AND OUR UNIVERSITY	02-03
OUR STRATEGY	04-05
REVIEW OF THE YEAR 2020/21	06-21
Navigating the pandemic	06-07
The Loughborough experience	08-09
Research	10-11
Enterprise	12-13
Sport	14-15
People and organisational development	16-17
Equality, diversity and inclusion	18-19
Sustainability	20-21
RISKS AND UNCERTAINTIES	22-23
FINANCIAL REVIEW	24-27
DELIVERY OF PUBLIC BENEFIT	28-29
STATEMENT OF CORPORATE GOVERNANCE	30-33
STATEMENT OF THE RESPONSIBILITIES OF COUNCIL	34-35
INDEPENDENT AUDITOR'S REPORT	36-39
FINANCIAL STATEMENTS 2020/21	40-74



IN THE GUARDIAN
LEAGUE TABLE
2021



HIGHEST RANKING
UNIVERSITY IN
THE MIDLANDS IN
ALL MAJOR UK
LEAGUE TABLES



2ND – BEST
UNIVERSITIES
FOR CAMPUS AND
FACILITIES

Best UK Universities 2021
StudentCrowd

2020/21 AT A GLANCE



UK UNIVERSITY

Best UK Universities 2021
StudentCrowd



IN THE TIMES AND SUNDAY TIMES GOOD UNIVERSITY GUIDE 2021



TOP THREE FOR OVERALL SATISFACTION*

National Student
Survey 2021



IN THE COMPLETE UNIVERSITY GUIDE 2022

out of 130 UK universities



PANDEMIC RESPONSE USED AS EXEMPLARY MODEL

by Universities UK & University
and Colleges Employers
Association



BEST UNIVERSITY IN THE WORLD

for sports-related
subjects for the
fifth year running

QS World University
Rankings by Subject 2021

*Based on English HEIs excluding specialists, FECs and alternate providers

VICE-CHANCELLOR FOREWORD

I began my role as Vice-Chancellor of Loughborough University in October of this year, meaning the academic year for 2020/21 had already concluded. During the process of joining the University though, I was very aware of the work that was happening across both our East Midlands and London campuses.

From the outset, the year was always going to be one of challenge, the unknown, transition and fast actions.

The University reacted remarkably in managing the effects of the pandemic. The approach and measures put in place were used as an exemplar for others by both Universities UK and the Universities and Colleges Employers' Association.

The University's sense of community was greater than ever. Over 300 staff and students volunteered to help individuals that were isolating, dealing with almost 2,000 requests in total. Over 120,000 meals were also delivered to students isolating on campus. People didn't support this activity because they had to, they did it because they wanted to. As we move beyond the pandemic, I hope this kindness and greater concern for others will continue.

It was also a year of success away from pandemic-related activity.

The University performed well in all the major league tables and in several student review-related awards and rankings. Recognition like this, from the University's students, is increasingly important in the challenging climate higher education currently finds itself in.

We threw our energies into developing research that addresses the challenges society faces. We supported and encouraged business growth through our work in enterprise, delivering initiatives that boosted local and regional prosperity. And at the very end of the academic year, our athletes gave us all reason to celebrate, with their incredible performances at the 2020 Olympic and Paralympic Games in Tokyo.



We also made many positive steps in the areas of equality, diversity and inclusion, and sustainability. With social responsibility at the forefront of our new strategy, this work is providing the vital foundations for our drive for inclusivity and to protect the environment around us.

Everything detailed within this report, demonstrates the hard work, commitment and excellence of the staff here at Loughborough, as well as our wider university community; a community that I am very much looking forward to working with over the next academic year.

"I hope that the coming year will bring more positive change and that we can start to see the vibrant atmosphere on campus that Loughborough University is renowned for return."

Nick Jay

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

OUR HISTORY



A Technical Institute is established in Loughborough

1909

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

1966

1920
Newly named Loughborough College is granted its own Armorial Bearings



OUR UNIVERSITY



WE HAVE TWO INSPIRING CAMPUSES

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



WE ARE THE LEADING UNIVERSITY FOR SPORT

with opportunities for all to participate



WE OFFER ONE OF THE BEST STUDENT EXPERIENCES IN THE COUNTRY

with Loughborough Students' Union (LSU)



WE HAVE OVER 18,500 STUDENTS ACROSS BOTH CAMPUSES



WE ARE A RESEARCH-INTENSIVE INSTITUTION

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



WE OFFER UNDERGRADUATE, POSTGRADUATE TAUGHT AND POSTGRADUATE RESEARCH PROGRAMMES

across a wide range of disciplines



ENTERPRISE IS AT THE HEART OF OUR ACTIVITIES

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

The University is renamed Loughborough University

1996



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

2017



1994
The University wins the first of seven Queen's Anniversary Prizes for Higher and Further Education



2015
Loughborough University London opens

2021
Loughborough is named the best university in the world for sports-related subjects in the QS World University Subject Rankings for the fifth year running

OUR STRATEGY

The success Loughborough University enjoys is built on the hard work and high standards achieved by our staff and students. These high standards stem from our ambitious outlook, which is reflected in our Building Excellence strategy. The 2020/21 academic year marked the final year of this successful strategy. We move into the next year with new strategic focus and vision, to continue to build on the University's position as a world-leading institution.

Building Excellence

Our current strategy, Building Excellence, emphasised the need for us to raise our aspirations and, in a highly competitive global higher education environment, compete on quality.

The strategy's key ambitions were to create and achieve: a distinctive international reputation for excellence; a life-shaping student experience; outstanding partnerships that deliver social, economic and cultural prosperity; a culture of delivering excellence in all that we do; and one outstanding university with two vibrant campuses.

Council has been responsible for monitoring the University's performance in delivering the Building Excellence strategy. Council considers a suite of over 30 key performance indicators (KPIs) aligned to the five ambitions set out above, together with an overarching measure of financial sustainability and an overall assessment of institutional performance. These KPIs are kept under constant review, as is our benchmark for success which continues to rise in line with our performance expectations. Key performance indicators are reflected in the graphics and statistics that appear throughout this strategic report.



Both our current and new strategies have been designed to support us in anticipating and responding to change, to enable us to remain in a strong position.

A new vision to take us forwards

The University's new strategy will focus on how the University contributes towards creating a sustainable future. Some of the broad strategic aims of our next strategy include:

- A commitment to play our part in tackling the causes, and mitigating the impact, of climate change.
- Using our expertise in sport and exercise science to improve mental and physical wellbeing, particularly in the aftermath of the COVID-19 pandemic.
- Working to reduce the inequality that fuels division across our communities and society.
- Equipping our students with the knowledge and skills they need to help create a sustainable future.
- Developing our estate and changing working practices with a plan to reduce the University's carbon footprint to net zero.
- Become an engine of economic growth in the region and work with civic partners to ensure that the University's presence enriches the local area.

Sector changes and challenges

The higher education environment is continuously evolving; presenting us with new challenges to overcome and opportunities to embrace. Both our current and new strategies have been designed to support us in anticipating and responding to change, to enable us to remain in a strong position.

COVID-19: The pandemic continues to present the sector with new challenges. The University's approach to these challenges will not change; we will continue to identify and adjust to change, whilst delivering our core principles.

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

Increased competition: The removal of the student numbers cap and an increasing number of alternative and private providers has contributed towards growing competition in the sector.

Higher Education and Research Act 2017: Adding to the above, the most significant sector legislation in 25 years has been passed. The full potential impact of the legislation on the sector is still unclear, but new rules and regulations will make teaching quality

transparent and ensure that the level of investment made by students is matched by the value of their course/programme.

Research: Under the same Act, the seven existing Research Councils were brought together into a single body. Concerns were raised that this could lead to the loss of the close relationships between specialist funding bodies and research groups that have created a system of effective funding that nurtures world-class research.

Overseas recruitment: Several challenges over the last few years, including changes to the student immigration policy and visas, and the impact of the EU Referendum result, have made it difficult to set realistic recruitment targets for international students. The pandemic also continues to present issues around global mobility.

Student expectations: The rise of tuition fees in 2010, followed by the restrictions on in-person teaching during the pandemic has created greater expectations from students regarding the experience they receive.

Frozen fees: Other than a small increase in 2017/18, tuition fees have barely changed since 2012 and are currently frozen. Operational costs continue to rise, which makes the sustainability equation increasingly difficult to balance.

Augar Review: In early 2021, the Department for Education published an interim response to the recommendations made in the Augar Review of Post-18 Education and Funding, highlighting that the sector continues to be challenged in the funding regime. The full impact of the review and implications for the sector are likely to be set out in the Government's Comprehensive Spending Review in the autumn.

Rising pension costs: Increases in pension contributions put pressure on employment costs.

Health and Social Care Levy: In September 2021, a new levy was introduced by the Government as a long-term solution to funding health and social care. It will tax the earnings of both employers and employees, in the same way that National Insurance contributions are made.

Reduction in teaching grant to universities: During the Autumn Statement in 2015 it was announced that the teaching grant to universities would be reduced by £120m by 2019/20. Reductions were made in 2020/21 and are planned for 2021/22 in specific disciplines.





NAVIGATING THE PANDEMIC

After months of lockdown and continuing restrictions to daily life, we knew that returning to campus safely for the 2020/21 academic year, was the right thing to do for the wellbeing of our students and staff. We also knew that some would be cautious over returning and would need reassurance.

Over the summer months, teams from across the University worked together to create an environment in which staff and students would feel safe and secure. Any plans we made were flexible so that we could adapt quickly to developing situations.

Creating a safe environment

The measures we put in place during the pandemic were used as an exemplar for others by both Universities UK and the Universities and Colleges Employers' Association. The Department for Education also referenced our work as an example of good practice.

- Testing programmes were established for asymptomatic and symptomatic individuals.
- Fast-turnaround testing was introduced on campus ahead of the Christmas break, to allow students and staff to travel home safely.
- Over 300 staff and student volunteers supported individuals isolating both on and off campus, by collecting prescriptions and parcels, food shopping, and picking up books from the library.
- 1,936 isolation requests were completed through Loughborough Students' Union's COVID Community Champions initiative.



University Connect and Protect service launched to track possible and confirmed cases on campus and ensure individuals were properly supported



Over 105,000 tests carried out on campus between December 2020 and May 2021 (PCR and lateral flow)



PANDEMIC-RELATED RESEARCH AND ENTERPRISE

Several researchers across the University changed the direction of their work, to provide insight, answers and guidance to one of the biggest societal challenges of recent time.



Widening access to ventilators

Loughborough engineers designed and built a unique low-cost, non-electric ventilator, designed for under-resourced areas with unreliable electricity supply and limited specialist knowledge.

- The ShiVent system has undergone testing at Loughborough's National Centre for Sport and Exercise Medicine (NCSEM), Leicester Royal Infirmary Hospital and Glenfield Hospital.
- Units were also sent to Lagos, Nigeria and India for further trials.



WINNER
Royal Academy of Engineering's Africa Prize for Engineering Innovation's One to Watch Award 2021



Adapting technology in the fight against COVID-19

- Early results showed that technology developed at Loughborough to test for contaminants in the drinks industry could be used for rapid pre-screening and diagnosis of COVID-19. The technology, developed by university spin-out Figura Analytics, has the potential to provide a diagnosis in less than 20 minutes, by counting and identifying viral particles in a small saliva sample.
- Initial findings from another study led by the University showed that COVID-19 can be detected via a non-invasive breath test, providing almost instant results. The technology uses markers or 'breath signatures' to rapidly distinguish COVID-19 from other respiratory conditions at point of need, such as an emergency department, a workplace or a care setting, with no laboratory support.



Expertise in language and social interaction

Loughborough expertise has helped shape the public response to the pandemic in the UK and internationally. This includes contributions to the UK government's SAGE groups, guidance for NHS staff engaged in difficult conversations with COVID-19 patients and families, and tackling the harmful effects of misinformation.



Around 90% of students were accessing campus testing every week – higher than any other UK university
(Spring 2021)



The catering team provided over 120,000 meals for students living on campus, free of charge, during the period of their isolation



Getting large-scale events back up and running

A new Loughborough-led study has been creating guidance on how to design and operate non-domestic buildings to minimise the risk of airborne transmission of COVID-19 and other viruses.

The government funded AIRBODS (Airborne Infection Reduction through Building Operation and Design for SARS-CoV-2) project was announced in May 2021, with trials taking place at several 'test' venues including the O2 arena, Wembley Stadium, a nightclub event in Liverpool and the Crucible in Sheffield.

“The work we are doing will help get large-scale events and venues back up and running in a safe way, providing scientifically proven information and advice on ventilation and building management, to reduce the risk of airborne transmission of COVID-19 and other viruses.

“But it will not only benefit this sector; it can be used in all non-domestic settings, including healthcare, education and retail.”

Professor Malcolm Cook, Dean and Professor of Building Performance Analysis, School of Architecture, Building and Civil Engineering

THE LOUGHBOROUGH EXPERIENCE

The University is known for offering a life-changing experience, both academically and socially. We provide students with an exceptional environment, in which they can gain the skills, knowledge and experiences they need, to build the future they want.



Making graduation happen

At the end of the 2019/20 academic year, many students missed out on the opportunity to finish their Loughborough journey properly, when our traditional graduation ceremonies were cancelled due to COVID-19 restrictions.

After a challenging 18 months for our students, the University gave both our 2020 and 2021 graduates the chance to celebrate their success. We were one of the only universities in the country to run on-campus, COVID-secure graduation ceremonies.



47 CEREMONIES held across a two-week period



OVER 6,400 STUDENTS celebrated at graduation

Supporting students during the pandemic

During 2020/21, the pandemic continued to have a significant impact on our students' time at Loughborough, but we reacted quickly, flexibly and innovatively to deliver an adapted version of our award-winning experience.

Back to campus

A range of measures were introduced for students including socially distanced arrival arrangements and the operation of household bubbles. These bubbles enabled students to socialise and meet new people in a safe way. International students who had to quarantine were provided with a range of virtual social events to ease their entry to Loughborough.

Loughborough Students' Union delivered a Freshers' Week programme that focused on virtual and COVID-secure events on campus.

Teaching was delivered through a blend of in-person and online sessions, with both academic and professional services staff ensuring that our students continued to receive excellent support with minimal disruption.

Student support

As winter approached, the predicted second wave of COVID-19 cases arrived. Having already put measures in place to keep students safe, the University worked to keep the virus under control in our community and provide the support needed to those affected by it.

Support services continued to be delivered online, including mental health support, careers advice and guidance for international students on travel arrangements.

In halls of residence and private housing off campus, the University provided meals, toiletries, parcel collection and other essentials to households that had to isolate.

For further information on how the University navigated the pandemic, visit page 06.



STUDENT SERVICES OFFERED 18,940 APPOINTMENTS TO STUDENTS, SUPPORTING THEM TO REMAIN WELL DURING A REALLY DIFFICULT TIME.

High quality support and services

The University is known for offering a life-changing experience, both academically and socially. High quality support services are key to achieving this, and during 2020/21 many of our services and facilities were recognised for this.

TOP FIVE FOR STUDENT EXPERIENCE

Times and Sunday Times
Good University Guide 2021

TOP THREE FOR CAMPUS AND FACILITIES

Best UK Universities 2021, StudentCrowd

TOP THREE FOR STUDENTS' UNION

Best UK Universities 2021, StudentCrowd

BEST ACCOMMODATION IN THE UK

University Compare Top 100 universities 2022

TOP THREE FOR JOB PROSPECTS AND CAREERS SERVICE

Best UK Universities 2021, StudentCrowd

High quality courses

Ensuring our students are satisfied with their courses is a key priority for the University. During 2020/21 we received several accolades and awards that recognised this.

RANKED 2ND* IN ENGLAND (3RD IN UK) FOR OVERALL SATISFACTION*

National Student Survey 2021

BEST UNIVERSITY IN THE WORLD FOR SPORTS-RELATED SUBJECTS FOR THE FIFTH YEAR RUNNING

QS World University Rankings
by Subject 2021

1ST FOR COURSE QUALITY

University Compare Top 100
universities 2022

TOP THREE FOR COURSE SATISFACTION

The Guardian
League Table 2021

“Despite COVID-19, the University has been fantastic and I have thoroughly enjoyed my time here! The support this year has been excellent and I have always known that I have had people looking out for my wellbeing; when we were isolating, we had constant food deliveries and staff checking we were OK. Whilst teaching was online, my lecturers tried their best to engage and make learning as fun as possible.”

Student review from studentcrowd.com

New courses

We continuously review the courses we offer and their content, to ensure that both the qualifications and experiences our students attain are relevant to the society they will be graduating into. During 2020/21, the University announced several new master's programmes for prospective students.

Two innovative postgraduate programmes on climate change
MA Climate Change Politics and Policy and MSc Climate Change Science and Management will address the urgent societal challenge and science of climate change, as well as risk and management.

Bio-focused engineering master's programmes
MSc Biomedical Engineering and MSc Biotechnology will create highly skilled, biologically savvy engineers with an advanced-level understanding of the interplay between the two disciplines, to combat the remarkable health and sustainability challenges the world faces at present.

MSc in Intelligent Transport

The University introduced this course as a response to a transport system that is significantly changing due to the development of autonomous, intelligent systems that can act independently of humans. Designed in collaboration with industry, it will address economic, social and environmental transport challenges and consider new technologies within the sector.

Joint master's programme between Loughborough University London and IÉSEG School of Management

The unique MSc in Entrepreneurship and Innovation programme will immerse students in a multicultural experience in which they will develop the critical skills to drive change in existing companies or to develop their own start-up. Students will benefit from the expertise of both institutions and from the infrastructures in two dynamic and entrepreneur-friendly European cities.

RESEARCH

Research at Loughborough is built on excellence and relevance. We inform and shape public policy, improve lives and society, and enable business and industry to compete more effectively. Our work explores global challenges and inspires positive change.



NEW RESEARCH AND IMPACT WEBSITE LAUNCHED
www.lboro.ac.uk/research

OVER 880

OVER 880 STAFF MEMBERS IN RESEARCH, TEACHING AND ENTERPRISE



ALMOST 1,200 RESEARCH STUDENTS



EXCEPTIONAL FACILITIES

New £1m high-performance computer installed at the University

The Lovelace system will transform the University's computing capability, attract world-class researchers and boost funding opportunities. The system consumes roughly half the electricity of its predecessor whilst delivering three to four times the output.

World's first large-scale slope simulator

The University announced it will create the world's first large-scale slope simulator, thanks to a £500,000 grant from the Wolfson Foundation.

The simulator will revolutionise national and international research capacity in this field, to help build resilience to the increasing environmental risks caused by climate change.

"This is one of the most intriguing and important grants awarded this funding round. It is based around brilliant science and will be one of the only facilities of its kind – not just in the UK but beyond."

*Paul Ramsbottom,
 Chief Executive of the Wolfson Foundation*

SUPPORTING RESEARCH GROWTH

Doctoral training overseas

In February 2021, the Doctoral College launched a new collaborative doctoral training programme with five South African universities.

The programme has been established to support talented South African academic staff to continue their educational journey.

Post-doctoral development programme in infrastructure, cities and energy launched

A Loughborough-led partnership was awarded £4m by Research England for the development of C-DICE, a new centre for post-doctoral development in infrastructure, cities and energy. The programme will:

- develop world-class postdoctoral researchers with the advanced technical skills needed in these sectors.
- tackle how we accelerate progress towards a net zero-carbon society by 2050.
- bring together 18 higher education institutions as well as industry and other stakeholders, including HS2 and Severn Trent Water.



£45M SECURED IN NEW GRANTS FOR RESEARCH DURING 2020/21

294
NEW GRANTS

SECURED FOR RESEARCH PROJECTS DURING 2020/21

STRONG PERFORMANCE

Despite the ongoing pandemic, the University has performed well in attracting new research funding to support diverse projects. Below are some examples of our research activity during 2020/21 and some new projects starting soon.

Playing a pivotal role in government plans

It was announced in November that the University will host a new £4.3m centre to improve the sustainability of the UK's chemical industry. The Interdisciplinary Centre for Circular Chemical Economy will be based in the Department of Chemical Engineering and will involve seven universities and more than 20 industrial and international partners.

Transforming how industry works

In June 2021, a team of experts from the University's School of Mechanical, Electrical and Manufacturing Engineering were named as part of a £7.3m project to create the first-ever manufacturing cyber-seed.

Funded by the Engineering and Physical Sciences Research Council (EPSRC), the 'cyber seed' will allow scientists to produce innovative designs for new products, ranging from aircraft parts to medical devices, that are bespoke to end-users and suited to the local environment with the materials available, all at the push of a button from anywhere in the world.

Brain power

At the start of 2021, scientists from the University's Department of Chemistry started work on a project that will see human brain stem cells used to power artificial intelligence (AI) devices and bring about a revolution in computing.

The Neu-ChiP project received just over £3m from the European Commission's Future and Emerging Technologies (FET) programme, to show how neurons – the brain's information processors – can be harnessed to supercharge computers' ability to learn while dramatically cutting energy use.

Perpetual Plastic for Food-to-Go project

An interdisciplinary team of design and engineering researchers, led by our School of Design and Creative Arts, was awarded £1m at the end of 2020, to research the negative impacts of and alternatives to single use plastic packaging.

COVID-related research

Our research efforts were also responsive to the COVID-19 pandemic, with many of our researchers adapting the focus of their work to support the global fight against the virus. Examples of this work can be found on page 07 of this report.

Landmark research and development agreement

As part of its innovation programme, HS2 Ltd has signed a ground-breaking agreement with leading infrastructure research centres in UK universities, including Loughborough, which will enable it to access world-leading research capabilities, knowledge and facilities.

The deal with the UK Collaboratorium for Research on Infrastructure & Cities will help drive new insight and technologies to support building affordable, low carbon, modern infrastructure.

Midlands' bid to become a world-leader in advanced ceramics received significant cash boost

In July, the Midlands Industrial Ceramics Group (MICG) – of which we are a founding member and lead academic partner – secured £18.3m in government funding through UK Research and Innovation's flagship Strength in Places Fund (SIPF).

The funds will underpin a world-leading industrial and academic research and development programme over the next four years, creating a cluster of new businesses in the Midlands and strengthening the regional supply chain. Thousands of jobs are expected to be created in the area.

ENTERPRISE

Enterprise is at the heart of the University's activities, enhancing the student experience, creating impact through economic development partnerships and Loughborough University Science and Enterprise Park (LUSEP), which is home to more than 90 organisations.

The University, as a regional anchor institution, engages with its local areas in the East Midlands and East London, to drive growth and regeneration.



Sharing our expertise

Knowledge exchange is an essential part of the University's work alongside research and teaching. The University supports businesses through Knowledge Transfer Partnerships (KTP). These partnerships enable businesses to bring in new skills and the latest academic thinking to deliver a specific, strategic innovation project. The University's KTP portfolio has experienced strong growth and activity during 2020/21, with areas such as data science and deep learning, materials, engineering and chemistry all currently highly represented.

The University's significant contribution to the regional economy and society was also highlighted in Research England's first Knowledge Exchange Framework (KEF), which was released in March 2021.

The KEF data looks at the performance of English Higher Education Providers (HEPs) from a variety of different perspectives, including public and community engagement, working with partners ranging from big businesses to small local firms, and how HEPs commercialise their research.

Overall, Loughborough was in the:

- top 10% of all English HEPs for the 'Working with business' metric
- top 20% for 'Local growth and regeneration'.

13

**ACTIVE KNOWLEDGE
TRANSFER
PARTNERSHIP
(KTP) PROJECTS
DURING 2020/21**

OVER
£600_K

**THE TOTAL VALUE
OF THE UNIVERSITY'S
KTP PORTFOLIO FOR
2020/21**

ALMOST
£1.8_M

**THE TOTAL VALUE
OF THE UNIVERSITY'S
CURRENT KTP
PORTFOLIO**



The Figura Analytics team

The flagship office for the Access Group on LUSEP.

Mutual benefits

The Doctoral College launched a new placement experience that enabled PhD students to be consultants in local SMEs. 'Doctoral Innovation Consultants' was designed to enhance our Doctoral students' business networking skills and future employability, whether in academia or industry, whilst also supporting local businesses to find solutions to real challenges.

Six students took part in a successful pilot run, which was funded by Santander. They were paid to work as part of a small student consultancy team, supporting start-up businesses at LU Inc, whilst continuing their PhD studies in parallel.

Boosting business locally

In July, the University launched another exciting initiative that aims to help local people working on unique, early-stage products or services, bring their vision to life.

The two-year business start-up accelerator programme will be delivered by LU Inc. (Loughborough University's incubator) in partnership with Charnwood Borough Council and will help to develop a new generation of businesses in the area that are resilient to future challenges.

"It is crucial we take action to help rebuild our economy and foster resilience within a post-pandemic recovery."

Professor Chris Rielly, Dean of the School of Aeronautical, Automotive, Chemical and Materials Engineering and lead for the University's Town Deal initiatives

SportPark expansion

A £6m expansion to SportPark was approved, fuelling the ambition for Loughborough to be at the heart of a global sports hub.

Spinout success

Having built a strong intellectual property (IP) portfolio, our recent prioritisation of research commercialisation is reflected in the achievements of the University's recent spinouts, all of which have attracted significant external investment.

Figura Analytics – a University nanotechnology spinout – successfully raised £180,000 in seed round funding from private investors and the UK's leading early-stage investor SFC Capital.

The company was spun-out of cross-disciplinary chemistry research in January 2021, to develop a rapid testing technology platform aimed at helping the drinks industry to improve quality and consistency of ingredients and finished products.

"We have had great initial feedback from the drinks industry to a completely new way for them to rapidly analyse their products and ingredients and look forward to building our business as we further develop our technology platform and manufacturing capability."

Nick Whitehurst, CEO, Figura Analytics

Student and graduate enterprise

Activity has continued to expand in this area, ensuring that students and graduates are supported throughout their enterprise journey. This includes the launch of a new initiative, Evolve Validator programme, which supported 50 students to test and validate their ideas, prove concepts and register their businesses across both our Loughborough and London campuses.

Enhancing career prospects

In May, the University worked in partnership with Loughborough College to launch a Careers and Enterprise Hub in Loughborough, that will help local people enhance their skills to access the careers market, progress their existing career or launch a new business idea.

- Specialist advisers from the University will provide expert support to aspiring entrepreneurs.
- It is among the first projects in the UK to be completed using money from the Government's Town Deal scheme.
- The initiative aims to boost the local and regional economy as it bounces back from the impact of the pandemic.

Award-winning flagship office development

A flagship office for leading business management software provider, the Access Group, was completed on LUSEP in November 2020. The 100,000 sq. ft. building will generate £1.6m per year for vital Leicestershire County Council services, as well as create hundreds of new jobs. In June 2021, the building received the NEC award, which recognises excellence in how building contracts are managed across the world.

SPORT

We are proud of our hard-earned reputation for sport at Loughborough. Through world-leading coaching, outstanding student experiences, state of the art facilities and superb events, we create an inclusive, positive and life-shaping sporting experience for all.

Representing Loughborough in Tokyo



Over 100 students, staff, alumni and Loughborough-based athletes, travelled to Tokyo for the 2020 Olympic and Paralympic Games



Loughborough-associated athletes won 14 medals in the Olympic competition, equating to over 20% of Team GB's final medal haul



21 medals were won by Loughborough-associated athletes in the Paralympic competition

Sport through the pandemic

Our unique multi-sport campus and the COVID-secure provisions we put in place to protect our community and elite athletes has meant that Loughborough has continued to lead the sports sector.

Within our facilities, elite athletes have continued to train and the outstanding results at Tokyo show the impact we have had on sport globally. We have attracted high-profile camps from teams such as Celtic F.C, West Ham United, Bristol City and GB Rugby 7s team.

For our community, we have worked tirelessly to provide the very best sporting experience for all ensuring that, when safe to do so, everyone can enjoy sport at Loughborough.

Research facility supported major tournament

The Sports Technology Institute played a key role in the official Euro 2020 ball research. This is the ninth consecutive major tournament ball that has benefitted from research or testing at the University.

New Loughborough Lightning franchises launched

The number of teams under the Loughborough Lightning franchise doubled from three to six this year, with new teams launched for cycling, wheelchair basketball and football.

Loughborough Lightning Cycling was also awarded Elite Development Team status by British Cycling – in recognition of its work to support Britain's best aspiring road riders on their journey to success on the world stage.



**VOTED BEST UNIVERSITY
IN THE WORLD FOR
SPORTS-RELATED
SUBJECTS – FOR FIFTH
CONSECUTIVE YEAR**

QS World University Rankings by
Subject 2021



**UK ANTI-
DOPING (UKAD)
RELOCATED TO THE
UNIVERSITY'S EAST
MIDLANDS CAMPUS**



**3600 HOURS
LOGGED
BY SPORT
VOLUNTEERS**



**OVER 100
MASTERCLASSES AND
WORKSHOPS DELIVERED
TO STUDENTS BY
LOUGHBOROUGH
SPORT'S COACH AND
VOLUNTEER ACADEMY**



PARA SPORT

Since launching the new para sport vision at the end of 2019, much progress has been made towards creating life-shaping opportunities through the development of an inspirational and inclusive para sport offer. During 2020/21:



It was announced that the wheelchair basketball team will compete in the world's first women's professional wheelchair basketball league



Four para sport performance programmes were introduced (Para-Athletics, Para-Swimming, Para-Cycling and Para-Triathlon)



Boccia was introduced to the 'My Lifestyle' recreational sport programme (in addition to wheelchair basketball)



Inclusive Sport Festival set up, featuring a variety of inclusive sports including boccia and sitting volleyball



The University was announced as a partner in £1M+ Para Sport Against Stigma project that aims to change attitudes towards people with disabilities in Africa



**JOHN STEELE,
EXECUTIVE DIRECTOR
OF SPORT AT
THE UNIVERSITY,
AWARDED AN OBE
AND ANNOUNCED AS
NEXT CHAIR OF THE
COMMONWEALTH GAMES
ENGLAND BOARD**



**OVER 170 STUDENTS
ENGAGED IN WHEELCHAIR
BASKETBALL ACTIVITIES
ACROSS SOCIAL AND
RECREATIONAL SPORT
PROGRAMMES**



**WHEELCHAIR
BASKETBALL BECAME
THE 60TH ATHLETIC
UNION CLUB**



PEOPLE AND ORGANISATIONAL DEVELOPMENT

Our people are fundamental to the University's ongoing success. Their energy, enthusiasm, hard work and dedication have underpinned Loughborough's top ten position in the UK's league tables. We invest in the professional development and wellbeing of our employees and have created a vibrant and inclusive community culture across both campuses, in which people enjoy working and can perform at their best.

An inclusive future

Creating an inclusive environment for all has been a key focus for the People and Organisational Development Team during 2020/21. For example, an equality, diversity and inclusion (EDI) sub-committee was established to shape and deliver the University's aspirations to be more inclusive.

For further examples of the University's progress in EDI see page 18.



**OVER 3,650
MEMBERS OF STAFF**
(December 2020)



**RETAINED THE EUROPEAN
COMMISSION'S HR
EXCELLENCE IN
RESEARCH AWARD**



**SILVER AWARD
IN THE MINISTRY OF
DEFENCE EMPLOYER
REWARD SCHEME**



Support during the pandemic

Supporting staff and their wellbeing has been a key priority over the last year, particularly ensuring that they felt safe when returning to campus.

- Testing programmes were established to allow for all staff and students to be tested regularly on campus, with the University delivering the highest level of testing compliance in the sector.
- A contact tracing system was also created to identify potential cases and ensure individuals were properly supported.
- A lone working app was launched to identify and protect colleagues working alone on campus. The app also allows the individual to request emergency assistance should they need it and helps to locate them.
- A new contractor management app was launched that enables managers to quickly check that individuals have completed the online induction and that other necessary documents have been submitted and reviewed. It also allows contract managers to quickly identify a contractor and how they should be working if they have concerns.
- 650 jobs were protected through the Coronavirus Job Retention Scheme.

For further information on the University's response during the pandemic, see page 06.

A new way of working

A Dynamic Working Group was established to look at hybrid working practices.

- The group was created to reconsider our working practices for the future, including the places we might work and our patterns of working.
- A framework of optimal future working practices is being developed, that balances the considerations of the University, staff and students.

New beginnings

Professor Nick Jennings CB was announced as Loughborough University's next Vice-Chancellor and President. Christine Hodgson CBE joined the University as Chair of Council in January 2021.

Nursery acquisition

The on-campus nursery transitioned from Loughborough Students' Union across to the University. The acquisition will play an important role in supporting the People and Organisational Development Strategy, by providing support to families.

Trade Union Facility Time Data

Section 13 of the Trade Union Act 2016 has introduced a new requirement on public sector employers to publish data on facility time.

The University's data for 1 April 2020-31 March 2021 is as follows:

Trade Union Representatives	19
FTE Trade Union Representatives	12.5
Hours spent on paid facility time	6686
Hours spent on paid trade union activities	0
Percentage of total paid facility time hours spent on paid TU activities	0%
Total cost of facility time	£144,782
Percentage of pay spent on facility time	0.09%
Distribution of working hours	Number of TU reps at LU
0% of working hours	0
1-50% of working hours	19
51-99% of working hours	0
100% of working hours	0



EQUALITY, DIVERSITY AND INCLUSION (EDI)

The Loughborough University community is a diverse body of people with different perspectives, values and attitudes. We seek to promote an inclusive environment where differences are shared, valued and embraced; where any unfair treatment or discrimination is challenged and eliminated; and where all individuals can reach their full potential regardless of their background.

Much work has been done across the University during 2020/21 to move the University forwards in this area, all of which positions us well for carrying the agenda forwards as a key part of the University's new strategy.

Building an inclusive community

- A new sub-committee and advisory forum have been established to focus on EDI, to ultimately shape and deliver the University's aspirations to be more inclusive and anti discriminatory.
- Co-opted positions representing Black, Asian or other minority ethnic (BAME), LGBT+ and disabled colleagues were created on University committees.
- LEADING, the Loughborough Equality, Diversity and Inclusion Networked research group was launched. The group will encourage EDI research collaborations across disciplines, raise the profile of our research in this area, and use its work to enhance the student and staff experience.

Responding to current events

During 2020/21, a sector-leading move saw the following measures introduced in recognition of race-based COVID-19 stress and anti-Black violence:

- Compassionate leave for BAME staff.
- Funding for counselling.
- Adaptation of the mitigating circumstances regulations for BAME students.
- Introduction of anti-racism resources for first-year students.

Supporting women in STEM

The School of Aeronautical, Automotive, Chemical and Materials Engineering (AACME) was awarded the Athena SWAN Bronze award for its achievements and ongoing efforts to improve equality, diversity and inclusion within the School.

Staff support networks

Several staff support groups have been launched/relaunched during 2020/21.

- Maia – Loughborough Women's Staff Network celebrated its one year anniversary and launched a successful mentoring scheme for its 450 members.
- LGBT+ Staff Network established a new committee.
- BAME Staff Network produced the Loughborough University Race Equity Strategy (LURES).
- The Inclusivity Staff Network doubled its membership and successfully delivered training to raise awareness of the experiences of disabled staff, such as neurodiversity and hearing loss in the workplace.

Showing our commitments

- First university in the UK to sign up to the Halo Code, which supports students and staff to wear their Afro hair how they choose to.
- The University joined over 130 businesses and organisations to support the transgender community by signing up to the Trans Rights Are Human Rights campaign.
- The University signed up to Consent Collective TV for all students and staff to take part in conversations about consent, sex, gender, sexual harassment, and relationships. Over 275 people have signed up so far.



**UNIVERSITY'S
EQUALITY, DIVERSITY
AND INCLUSION
BLOG LAUNCHED**
blog.lboro.ac.uk/edi



**LAUNCHED VOICES
OF DIVERSITY:
BAME SPEAKER
SERIES**



**SEVEN OF OUR NINE
SCHOOLS HAVE NOW
RECEIVED ATHENA
SWAN AWARDS**



**AGE APPRECIATION
GROUP (AAG)
RELAUNCHED**



**ONE YEAR OF MAIA
- LOUGHBOROUGH
WOMEN'S STAFF
NETWORK CELEBRATED
ITS ONE YEAR
ANNIVERSARY**

SUSTAINABILITY

The University is committed to acting in a socially responsible way that maximises its positive and minimises its negative impact on society and the communities we are based in. We do this by embedding sustainability and social responsibility into all our processes, operations and developments.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)

The University signed the SDG Accord in 2019, making a commitment to help deliver the 17 goals. Set up by the United Nations General Assembly, the goals are designed to be a "blueprint to achieve a better and more sustainable future for all". Loughborough is at the start of its journey in aligning policies, procedures and research. The goals we have had the highest impact with in the last 12 months are:

**SUSTAINABLE
DEVELOPMENT
GOALS**



WASTE AND RECYCLING

The University works hard to reduce waste, maximise reuse, increase recycling and divert waste from landfill at every opportunity. Data in this area has been severely impacted by the pandemic, but there are still some successes to be acknowledged:



**WASTE WAS REDUCED
BY 500 TONNES**
compared to
pre-pandemic



70%
OF OVERALL WASTE
was recycled, compared to
29% in 2009/10



**23% OF WASTE WAS
CONVERTED TO ENERGY**
compared to 0%
in 2009/10



**ONLY 7% OF
UNIVERSITY WASTE**
went to landfill, compared to
71% in 2009/10

As part of the
Give 'n' Go campaign 2021...

**AROUND 100 BAGS
OF CLOTHES**

were donated to the
British Heart Foundation



Over 60 crates of
**KITCHEN CROCKERY, POTS,
PANS AND UTENSILS**
were donated to a charity in Nottingham
who also benefitted from
50 bags of duvets and bedding



Over 50 crates of food were
**DONATED TO A
LOCAL FOOD BANK**

TEACHING AND LEARNING

- The campus has continued to be used as a 'living laboratory' where students can learn and conduct research. Examples of locations and projects include the Holywell Research Forest, the Fruit Routes Project, and the forest school.
- The University has also launched two new master's degree programmes on climate change during the last year. For further information see page 09 of this report.
- Academic departments and schools have been regularly conducting fieldwork and projects for students that are designed to combat real issues onsite.
- The School of Business and Economics has appointed two new Honorary Visiting Professors to strengthen its research and practice in sustainability. Martin Barrow, Director of Footprinting at the Carbon Trust, and Professor Robert D. Klassen of Western University in Canada, are regarded as world leading authorities in their field.



BIODIVERSITY



**MAINTAINED
GREEN FLAG STATUS**
for 2020



**NEW GARDENS
STRATEGY PRODUCED**
in 2020



Winner of the inaugural
**BSIF WATER
POLLUTION
PREVENTION AWARD**

CARBON MANAGEMENT

It takes a lot of energy to support a world-class university, but we are committed to ensuring we operate in a sustainable way.

- The 30-year plan provides framework to decarbonise the estate.
- Work will also safeguard the institution against escalating energy costs.
- Absolute carbon emissions have reduced by 32% compared to 2010/11.
- Carbon emissions relative to student numbers have reduced by 37% compared to 2010/11.



**ENERGY STRATEGY
2020-2050**
was approved in
November 2020



**32 CHARGING
POINTS INSTALLED**
to support the transition to
low carbon electric vehicles



TARGET – 78% REDUCTION
in greenhouse gas emissions
by 2035 compared to 2010/11



NET-ZERO
greenhouse gas
emissions by 2050

RISKS AND UNCERTAINTIES

Financial Statements Year Ended 31 July 2021

The University has comprehensively reviewed its strategic risk register during the COVID-19 pandemic in order to ensure delivery of the strategy in challenging times.

Overview

The University has continued operations in challenging times, dealing with both the structural financial issues posed by regulated income streams and rising costs and the enduring uncertainty resulting from the COVID-19 pandemic.

The University acted swiftly to control cost and preserve liquidity during the pandemic while ensuring that actions did not undermine the future financial sustainability of operations.

Council has carried out a comprehensive review of its strategic risk register and evaluated lines of assurance (first, second and third lines of defence) for all entries. The strategic risk register currently reflects the following areas of operation:

RISK	OVERVIEW OF RISK
IT & DATA SECURITY	Failure of IT infrastructure resulting in operational disruption, major data loss, breach of regulations, reputational damage and/or financial loss
GOVERNMENT POLICY	Reliance on student fee income resulting in the University being disproportionately impacted by future changes to HE sector funding
INTERNATIONAL STUDENTS	Reliance on a single geographical region for international student recruitment leaving the University vulnerable to political or macroeconomic factors that reduce international student demand for UK higher education
PENSIONS	The University's commitment to two defined benefit pension schemes requiring disproportionate allocation of resources to tackle deficits resulting from macroeconomic conditions
COMPLIANCE CULTURE	In an increasingly regulated environment, the University needing to enhance the culture of compliance with legislation, regulation, or ethical standards
STAFF WELLBEING	Changes to the nature of work in higher education, including change to pensions and increased regulation, resulting in staff dissatisfaction, absence, or industrial action
STUDENT EXPERIENCE	The University needing to monitor and then adapt to or manage changing student expectations

The risk register is owned by Council with operational management delegated to the Director of Finance and with oversight provided through the Audit Committee. All risk items are regularly reviewed but, as in previous years, we draw specific attention to the following areas where we perceive enhanced levels of risk in the short to medium term.



RISK 1 IT & DATA SECURITY

The COVID-19 pandemic has accelerated the pace of change in working patterns and methods of teaching delivery. This has increased reliance on technology infrastructure and cyber threats are increasingly directed not only to our own systems but to those hosted by third parties. The University has assessed the assurance level required in this area as high and has strengthened both the internal control environment and governance oversight through Audit Committee and Information Technology & Governance Committee.



RISK 2 GOVERNMENT POLICY

The sector continues to expect but has yet to receive clarity on changes to the University funding model following the Augar report. Meanwhile the underlying challenge to higher education funding in England, the inflationary gap caused by static fees and rising costs, remains unaddressed. However, some element of stability to the fees and funding regime is perceived to be neutral in terms of impact on risk given the inherent uncertainty in the economy as we emerge from COVID-related restrictions.



RISK 3 INTERNATIONAL STUDENTS

As reported last year, the University's dependence on international students from China swiftly changed from being a key tool to diversify income to be a major driver of risk. This is as a result both of mobility restrictions linked to the COVID-19 pandemic and geo-political unrest. The University continues to show strong demand from international students and we continue to work to diversify our student population both to protect income but also to ensure the best possible international experience for those coming to live and study in the UK.



RISK 4 PENSIONS

Macroeconomic factors continue to drive pension scheme deficits and there is notable regulatory pressure to address deficits more quickly by shortening deficit recovery periods. It appears that a resolution to the 2020 valuation of the Universities Superannuation Scheme (USS) is achievable in such a manner as to avoid significant increases to contribution rates which are already at the limits of affordability. However, concluding the 2020 valuation will involve additional covenant support measures from employers and significant benefit reform to members which is likely to result in further industrial action within the higher education sector.

FINANCIAL REVIEW

The COVID-19 pandemic continued to present challenges, with consolidated income down 5% year on year. However, our continued focus on controlling expenditure means that we delivered a surplus of £9.8m and generated £51.6m of net operating cash (17% of income). The headline numbers mask the narrative of the year: prioritising the wellbeing of our students and colleagues, implementing stringent short-term controls and navigating unquantifiable uncertainty in our income streams.

Cash flow

Net cash inflow from operating activities totalled £51.6m, 17% of income. This represents a significant increase on recent years and reflects the stringent expenditure controls maintained throughout the year.

New challenges emerged as we progressed through the year; global mobility presented significant challenges for our international student community, periods of lockdown and domestic restrictions limited our ability to operate our commercial revenue streams and implementing safety measures and new ways of working came at a cost. Throughout this period of uncertainty, our approach was focused on the wellbeing of our students and colleagues and to restrict expenditure to all but critical spend to provide headroom against the risks to income. In the short term this has inflated our cash holdings, but as we move forward into more certain times, we anticipate a return to more sustainable levels of expenditure.

The University continued to restrict capital expenditure as part of our on-going response to the pandemic. Payments to acquire tangible fixed assets totalled £14.4m, partly offset by capital grant receipts of £5.4m and £0.8m of other receipts to generate a net cash outflow from investing activities of £8.2m. Cash outflows from financing activities remain consistent with previous years at £8.0m, comprised of interest and loan repayments. These movements combine to deliver a net increase in cash and short-term deposits of £35.4m, resulting in a cash holding of £104.1m on 31 July 2021; this upside being one-off in nature and therefore not a recurring improvement in cash generation which could support recurring expenditure.

Balance sheet

Net assets increased by £14.0m to £290.8m.

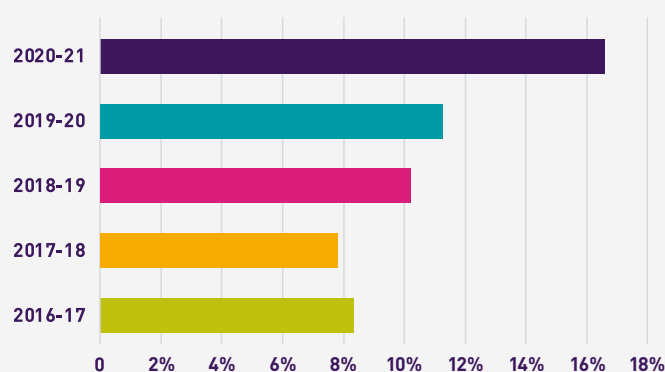
Fixed assets decreased by £20.0m to £474.3m. Capital investment was focused on several smaller projects, IT and existing estate maintenance as we continued to mitigate the on-going challenges. It is our intention for Capital expenditure to return to normal levels, broadly in line with operating cash generation, over the coming years.

Long term loans decreased to £103.6m (2019/20: £108.7m) as a result of capital repayments during the year. The University maintains significant headroom on its bank covenants and almost all long-term debt continues to be subject to fixed rate agreements. We continue to hold a £50m revolving credit facility, which remains undrawn at year end.

We hold three pension provisions on our balance sheet; Universities Superannuation Scheme (USS), The Local Government Pension Scheme (LGPS) which is administered

	2020-21	2019-20
	£m	£m
Income	311.7	327.3
Expenditure before USS pension movement	(300.8)	(308.9)
Surplus before other losses/gains and USS pension movement	10.9	18.4
USS pension movement	(1.7)	36.3
Surplus for the year	9.1	54.4
Operating cash flows	51.6	36.8
Investing cash flows	(8.2)	(27.2)
Financing cash flows	(8.0)	(8.6)
Net cash flow	35.4	1.0
Cash and cash equivalents	104.1	68.8
Non current assets	495.0	514.8
Current assets	133.4	99.6
Current liabilities	(63.2)	(61.5)
Non-current liabilities	(106.9)	(112.7)
Provisions	(167.4)	(163.3)
Total net assets	290.8	276.9

OPERATING CASH FLOW AS A PERCENTAGE OF INCOME



by Leicestershire County Council and The Teachers' Pension Scheme (TPS). As of 31 July 2021, the TPS provision was £1.7m, a reduction of £0.2m. The LGPS provision was £122.1m, an increase of £3.9m. The USS provision was £43.2m but, whilst that reflects an increase of just £0.2m, the continued uncertainty regarding the funding of the USS pension scheme as a sector remains one of our key risks.

Income

In 2020/21 total income decreased £15.6m (5%) to £311.7m. However, it is important to note that the prior year was also impacted, and our pre-pandemic growth trajectory reflected an income of £345m, on which the shortfall is closer to 10%. Our tuition fee income was relatively resilient, underpinned by our swift actions to help students adapt to the logistical challenges; our transition to online teaching was embraced by colleagues and students and the implementation of a January start for PGT courses was well received.

Fees from Home/EU students of £116.5m (2019/20: £107.1m), accounted for 37% of the total income of the University and 68% of total tuition fees (2019/20: 33% and 61% respectively).

Fees from International students, where we are anticipating growth, were more significantly impacted and totalled £51.0m

(2019/20: £60.4m). This represents a 16% decrease and the impact of global mobility restrictions.

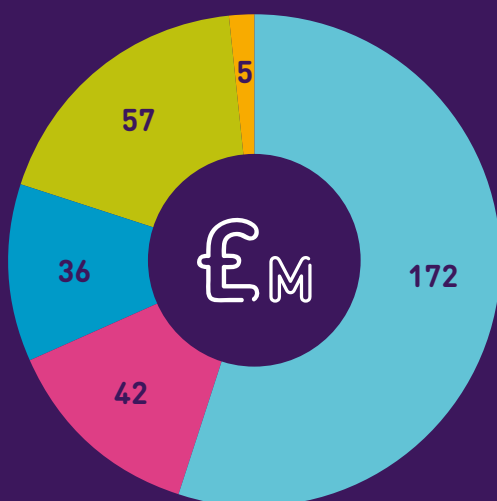
Grants from funding bodies increased £2.8m (7%), to £42.2m, including an additional £1.2m of capital funding from Research England as part of their World Class Laboratories fund. This funding was used primarily to fund state of the art research equipment, for use not just for our own researchers but also partner organisations.

Research grants and contracts income decreased by £2.5m (7%) to £35.5m, in part reflecting the challenges posted by restricted campus access or social distancing limitations, as some projects ran behind planned schedules. We continue to have a strong application pipeline through the University.

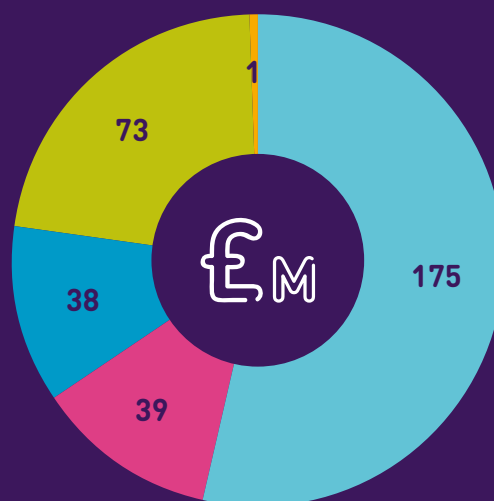
Other income decreased by £16.6m (23%) to £56.8m. £13.5m of this reduction is due to recognition of a capital grant in the prior year for the commissioning of the NCCAT facility. The remaining reduction is due to the continued challenges that our hotel and conference operations faced, with limited operations throughout the year. We once again reacted swiftly to credit students for accommodation contracts during the second lockdown, in early 2021.

TOTAL INCOME

2020/2021



2019/2020



	2020/21	2019/20	% Change
Tuition fees and education contracts	172	175	-1%
Funding body grants	42	39	7%
Research grants and contracts	36	38	-7%
Other income	57	73	-23%
Investment income	0	0	-70%
Donations and endowments	5	1	294%
Total income	312	327	

Expenditure

Total expenditure increased by 11%, to £302.5m. However, the prior year was significantly impacted by the USS pension movements. Expenditure before USS pension movement decreased by 3% to £300.8m.

As in previous years, the majority of expenditure (60%) relates to staff costs, which increased by £40.0m (28%) to £180.6m, largely due to a revaluation of the USS provision (£36.3m) referenced above. Removing the impact of this and other non-cash pension adjustments, underlying staff costs have increased 1.1% as a result of general staff inflation.

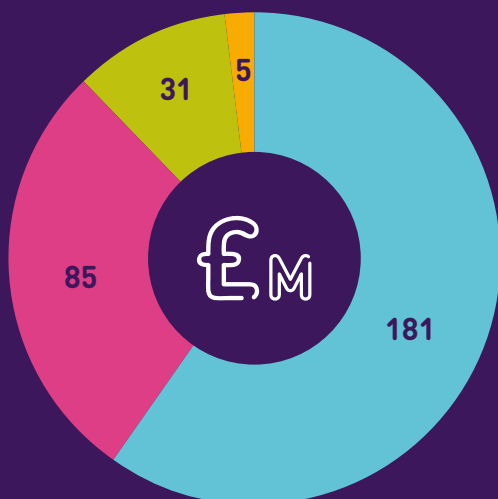
Other Operating Expenditure has decreased by £9.4m (10%) to £85.4m as a result of strong budgetary control during the COVID-19 pandemic and the reduced direct costs associated with challenged income streams.

Depreciation increased £0.5m (2%) to £31.2m, resulting from sustained investment in campus infrastructure over the years. The increase also reflects our increasing allocation of capital expenditure to IT, which generally has a shorter period of depreciation.

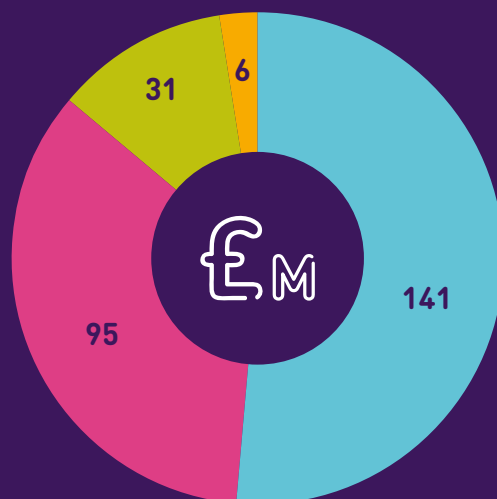


TOTAL EXPENDITURE

2020/2021



2019/2020



	2020/21	2019/20	% Change
Staff costs	181	141	28%
Other operating expenses	85	95	-10%
Depreciation	31	31	2%
Interest and other finance costs	5	6	-19%
Total expenses	302	273	



Future financial outlook

At the time of preparation of these financial statements we have much to be excited about. The reaction of the University, both colleagues and students, has demonstrated our unique culture and ability to overcome challenges and our vibrant campuses are returning to a degree of normality following the relaxation of the most stringent restrictions. The University remains in a Top 10 position in all domestic league tables and the 2021 admissions cycle demonstrated strong demand from high calibre students across both campuses. Our financial plans reflect recovery of commercial income streams and international student mobility, but at a relatively prudent pace. Our robust expenditure controls mean we have navigated the pandemic without utilising any of the government support schemes in the form of debt, and therefore have no repayments to draw upon cash in future years.

However, some of our, and the sector's, key challenges remain.

COVID-19

The elements of our income (International students and commercial) most affected by the COVID-19 pandemic are the diversified incomes streams developed in recent years to mitigate the inflationary

pressure implicit in the funding model for English higher education, with static regulated tuition fees but a rising cost base. Whilst the primary restrictions on these are starting to ease, we continue to plan prudently for the pace of their recovery. Our robust financial management, both before and during the pandemic, enabled us to take a long-term view and leaves us in a strong position to react to any strategic change following the appointments of a new Chair of Council and Vice-Chancellor.

Comprehensive spending review

As outlined above, the inflationary gap between domestic student fees and rising staff costs creates a sustainability challenge for us, and the entire sector. We now await the outcome of the Government's spending review but continue to model a range of scenarios on fee structure. Our strategy in recent years to focus on quality, rather than growth, alongside our diverse course offering should help us navigate any changes that are delivered.

Universities Superannuation Scheme

We have assumed that the proposal approved by the Joint Negotiating Committee, following the 2020 valuation, is adopted. It is likely that this will result in industrial action across the sector. The University will strive to mitigate the impact of this at Loughborough, but it will remain a national issue requiring resolution.

DELIVERY OF PUBLIC BENEFIT

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

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

OUR MISSION

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

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

PUBLIC BENEFIT IN NUMBERS (2020/21)

OVER
£3.7_M

awarded in bursaries and tuition fee waivers to over 2,100 undergraduate students through the Loughborough Scholarship Programme

OVER
£3_M

awarded in scholarships and bursaries to 1,129 postgraduate taught students in both Loughborough and London

237

new postgraduate research students (with start dates in 2020/21) received funding from the Doctoral College, equating to over £2.3m

In total, over
£8.7_M

was awarded to new and existing postgraduate research students during 2020/21

ACADEMIC BENEFIT

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

Research

Our research helps shape public policy, improves lives, and enables business and industry to compete more effectively. The results impact on everyday actions within society and their global consequences. For more information on research activity at the University see page 10.

Teaching and learning

We are committed to supporting students throughout their educational journey and helping them to reach their full potential by removing unnecessary barriers. For further information see page 08 of this report.

Employable graduates

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

Enterprise

Enterprise enhances the impact of our public benefit by connecting the work we do with the outside world across industry, public bodies and charities. The impact can be localised but significant, linking to global issues such as reducing pollution and improving human health. For more information on enterprise activity at the University see page 12.

CORPORATE

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

Sustainability

We recognise that many of our activities have environmental impacts and we take responsibility for these whilst also responding to global challenges such as climate change; human wellbeing; and food, water and energy security. For more information on our sustainability work, see page 20.

Community

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

Fundraising and volunteering

Both the University and Loughborough Students' Union have a long history of fundraising and volunteering to support local, national and international causes. Examples of activity in 2020/21 can be found below.

Economic impact

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

OVER
1,500

students went on year-long placements with more than 1,089 companies worldwide

OVER
10,400

prospective students and their guests benefitted from virtual and campus-based events

OVER
9,250

participants engaged with widening participation events/activities delivered by the School and College Liaison team

The team worked with
85

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

OVER
£445_k

raised for Rag by Loughborough Students' Union

OVER
6,240

hours of volunteering were completed by student volunteers through LSU Action

STATEMENT OF CORPORATE GOVERNANCE

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

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

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

The University is committed to observing good practice in all aspects of Corporate Governance. Council initiated a review of its own effectiveness in March 2021 and Advance HE have been engaged as external consultants. The final report was submitted to Council at its meeting in November 2021 and full implementation of the recommendations will follow during 2021/22. These may include some changes to the current committee structure. Arrangements for the next effectiveness review of Senate will be agreed as part of the follow up to the Council effectiveness review (the last Senate review was in 2017/18).

The University has continued to keep its compliance with the Higher Education Code of Governance published by the Committee of University Chairs (CUC) under review and is confident its processes comply with the revised Code published in September 2020. Scope for any further enhancements will be identified as part of the 2021 effectiveness review referred to above.

The University's Structure of Corporate Governance

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

The Council, the governing body of the University, comprises independent (lay), academic staff, non-academic staff and student members appointed or elected under the Statutes and Ordinances of the University, the majority of whom are non-executive. The role of Chair of the Council is separated from the role of the University's chief executive, the Vice-Chancellor. Christine Hodgson CBE took over from Sir Peter Bonfield CBE on 1 January 2021, when the latter stepped down after nine years of service.

The Vice-Chancellor is the University's senior academic and administrative officer, who also serves as the Accountable Officer to the Office for Students. Professor Robert Allison CBE stood down from the role on 31 July 2021 after nine years in post and the Deputy Vice-Chancellor, Professor Chris Linton served as Acting Vice-Chancellor between 1 August 2021 and 3 October 2021. On 4 October 2021, Professor Nick Jennings CB took up the post of Vice-Chancellor.

In accordance with the CUC Code (2020), Council has published a list of its primary responsibilities and these include the ongoing strategic direction of the University and approval of major developments. The University holds full registration as a higher education provider with the Office for Students. Along with its own governing instruments, this means that final decision-making on certain key matters is specifically reserved for Council. Council meets at least four times a year and is advised by the Senate on academic issues.

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

Both Council and Senate conduct their routine business through a committee structure; some of the committees are jointly composed and many include lay representation. This structure is kept under review and the sub-committees reflect regularly on their own effectiveness.

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

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

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

The Nominations Committee of Council is chaired by the Chair of Council and includes lay members, academic members and the Vice-Chancellor with lay members in the majority. Its role

is to make recommendations to Council on the appointment of senior lay officers (excluding the Chair of Council) and on the appointment of other lay members of Council as well as advise on other matters related to lay contributions to the governance of the University.

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

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

Internal control and management of risk

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

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

The system of internal control is based on an ongoing review process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2021 and up to the date of approval of the financial statements, and accords with the Office for Students guidance.

The University maintains a strategic risk register which is aligned with the University strategy Building Excellence.

Risk management processes and procedures continue to evolve with input from our internal auditors with all work being overseen by the Audit Committee.

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

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

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

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

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

Going concern

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

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

The Group entered 2020/21 with strong liquidity and access to significant undrawn borrowing facilities. This, together with robust expenditure controls, means that we anticipate maintaining substantial strategic cash reserves throughout the going concern assessment period.

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

Officers of the University

The University's formal principal officer is its Chancellor, who has responsibility for conferring Loughborough's academic awards at congregations and plays an important role in the advancement of the University. The Lord Coe CH KBE (Sebastian Coe) was installed as Chancellor in July 2017.

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

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

Visitor	Paul Michell
The Chancellor	Lord Sebastian Coe CH KBE
The Senior Pro Chancellor (Chair)	Sir Peter Bonfield CBE (<i>until 31 December 2020</i>) Christine Hodgson CBE (<i>from 1 January 2021</i>)
The Pro Chancellors	Alan Hughes (<i>until 31 July 2021</i>) Ann Greenwood (<i>until 31 July 2021</i>) Jennifer Maxwell-Harris (<i>from 31 July 2021</i>) John Sinnott (<i>from 31 July 2021</i>)
Honorary Treasurer	Alan Hughes (<i>until 31 July 2021</i>) Andrea Davis (<i>from 1 October 2021</i>)
The Vice-Chancellor	Professor Robert Allison CBE (<i>until 31 July 2021</i>) Professor Nick Jennings CB (<i>from 1 October 2021</i>)
Deputy Vice-Chancellor	Professor Chris Linton (<i>also Acting Vice Chancellor 1 August-30 September 2021</i>)
Pro Vice-Chancellor (Teaching)	Professor Rachel Thomson
Pro Vice-Chancellor (Research)	Professor Steve Rothberg
Pro Vice-Chancellor (Enterprise)	Professor Tracy Bhamra (<i>until 30 April 2021</i>)
Chief Operating Officer	Richard Taylor
Director of Finance	Andy Stephens

Chairs of key committees

Council	Sir Peter Bonfield CBE (<i>until 31 December 2020</i>) Christine Hodgson CBE (<i>from 1 January 2021</i>)
Senate	Professor Robert Allison CBE (<i>until 31 July 2021</i>) Professor Nick Jennings CB (<i>from 1 October 2021</i>)
Remuneration Committee	Sir Peter Bonfield CBE (<i>until 31 December 2020</i>) Christine Hodgson CBE (<i>from 1 January 2021</i>) <i>For matters relating to the Vice-Chancellor's remuneration the committee is chaired by Deputy Chair Alan Hughes (until 31 July 2021) or Jennifer Maxwell-Harris (from 1 October 2021)</i>
Finance Committee	Professor Robert Allison CBE (<i>until 31 July 2021</i>) Professor Nick Jennings CB (<i>from 1 October 2021</i>)
Audit Committee	Ann Greenwood (<i>until 31 July 2021</i>) Graham Corfield (<i>from 1 August 2021</i>)

Members of the University Council

who served during 2020/21 and up to 26 November 2021

The Chancellor	Lord Sebastian Coe CH KBE
The Senior Pro Chancellor (Chair)	Sir Peter Bonfield CBE <i>(until 31 December 2020)</i> Christine Hodgson CBE <i>(from 1 January 2021)</i>
The Pro Chancellors	Alan Hughes <i>(Deputy Chair; until 31 July 2021)</i> Ann Greenwood <i>(until 31 July 2021)</i> Jennifer Maxwell-Harris <i>(Deputy Chair; from 31 July 2021)</i> John Sinnott <i>(from 31 July 2021)</i>
Honorary Treasurer	Alan Hughes <i>(until 31 July 2021)</i> Andrea Davis <i>(from 1 October 2021)</i>
The Vice-Chancellor	Professor Robert Allison CBE <i>(until 31 July 2021)</i> Professor Nick Jennings CB <i>(from 1 October 2021)</i>
Deputy Vice-Chancellor	Professor Chris Linton <i>(also Acting Vice Chancellor 1 August-30 September 2021)</i>
Appointed by the Alumni Association	Oliver Sidwell
Appointed by the Students' Union	Matt Youngs <i>(until 31 July 2021)</i> Fejro Amam <i>(until 31 July 2021)</i> Freya Mason <i>(from 1 August 2021)</i> Charlotte Style <i>(from 1 August 2021)</i>
Elected by the Senate	Professor Malcolm Cook Professor Claudia Eberlein
Elected by the General Assembly	Dr Marcus Collins Professor Andy Dainty <i>(until 31 July 2021)</i> Professor Lisanne Gibson <i>(from 1 October 2021)</i>
Other elected members	Pauline Matturi
Co-opted members	Penny Briscoe OBE <i>(from 1 October 2021)</i> Graham Corfield <i>(from 1 August 2021)</i> Andrew Fisher OBE Sally-Ann Hibberd Paul Hodgkinson CBE Peter Saraga Jane Tabor <i>(until 31 July 2021)</i> Steve Varley Mike Wedderburn <i>(from 1 August 2021)</i> Tony Williams

Key advisers

External auditor	KPMG LLP
Internal auditor	PwC LLP



STATEMENT OF THE RESPONSIBILITIES OF COUNCIL

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

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

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

Planning and monitoring

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

Financial, legal and risk

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

Employment

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

Governance arrangements

10. To appoint the Secretary to Council, and to ensure that, if they have managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
11. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
12. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
13. To ensure that the University's Charter, Statutes and Ordinances are followed at all times and that appropriate advice is available to enable this to happen.
14. In accordance with paragraph 19 of the Charter, to consider any recommendations from Senate on matters with academic implications and to refer the same to Senate for consideration where the Senate has not previously been consulted.
15. To delegate authority to the Vice-Chancellor for the appointment of University nominees to the boards of public bodies, limited companies and other institutions.

General

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

It follows from the above that Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and its subsidiary companies and enable it to ensure that the financial statements are prepared in accordance with the relevant parts of the Royal Charter, company law, the Statement of Recommended Practice on Accounting for Further and Higher Education and other Accounting Standards.

In addition, within the terms and conditions of funding for higher education institutions between the Office for Students and the terms and conditions of Research England Grant the University, through its accountable officer, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and its subsidiary companies and of the surplus or deficit and cash flows of the University and its subsidiary companies for that year.

In preparing the financial statements, Council has to ensure that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable Accounting Standards have been followed
- the going concern basis is used unless it is inappropriate to presume that the University will continue in operation.

Council has taken reasonable steps to:

- ensure that funds from the Office for Students (OfS) and Research England are used only for the purposes for which they have been given and in accordance with the terms of conditions of funding for higher education institutions and the terms and conditions of Research England Grant respectively, and any other conditions which OfS/Research England may from time to time prescribe
- ensure that income from the Department for Education is applied for the purpose for which it has been received and in accordance with the funding agreement with the Department
- ensure that income from the Education & Skills Funding Agency and research councils is applied for the purpose for which it has been received and in accordance with the funding agreement with the relevant body
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and its subsidiary companies and prevent and detect fraud, and
- secure the economical, efficient and effective management of the resources and expenditure of the University and its subsidiary companies.

26 November 2021
Christine Hodgson CBE
Chair of Council

INDEPENDENT AUDITOR'S REPORT TO THE THE COUNCIL OF LOUGHBOROUGH UNIVERSITY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Loughborough University ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement and related notes, including the Statement of Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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



Fraud and breaches of laws and regulations – ability to detect

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

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

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

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

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

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

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

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

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

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



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

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

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

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

Other information

The Council is responsible for the other information, which comprises the Annual Review 2020/21, including the Review of the year 2020/21 and the Statement of Corporate Governance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Annual Review 2020/21, including the Review of the year 2020/21 and the Statement of Corporate Governance is consistent with the financial statements.

Council responsibilities

As explained more fully in their statement set out on page 34, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

Report on other legal and regulatory requirements

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

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

This report is made solely to the Council and in accordance with the Charters and Statutes of the institution. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

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



**FINANCIAL
STATEMENTS
2020/21**

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. General information

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

2. Statement of compliance

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of Research England Grant.

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

3. Basis of preparation

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

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

4. Going concern

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

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

The Group entered 2021/22 with strong liquidity and access to significant undrawn borrowing facilities. This, together with robust expenditure controls, means that we anticipate maintaining substantial strategic cash reserves throughout the going concern assessment period.

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

5. Exemptions under FRS102

The University meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure

exemptions available to it in respect of its separate financial statements. Exemption has been taken in these separate company financial statements in respect of presentation of a cash flow statement.

6. Basis of consolidation

The consolidated financial statements combine the financial statements of the University and all its subsidiary undertakings for the financial year to 31 July 2021. Intra-group transactions are eliminated on consolidation. Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.

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

7. Recognition of income

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

Tuition fees

Tuition fee income is recognised over the period of study to which the fee relates. Where the amount of the tuition fee is reduced by a discount, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Grant funding

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

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

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

Other income

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

Donations and endowments

Resources received from non-government bodies as part of a non-exchange transaction will either be treated as a donation, or as an endowment in the event the donor either wishes an endowment fund to be established, or places

sufficiently large restrictions on expenditure such that the funds will need to be retained over an extended period.

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

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

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

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

8. Pension schemes

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

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

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

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

Defined contribution plan

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

Multi-employer schemes

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

Defined benefit schemes

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

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

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

Annually the Institution engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Institution's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

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

9. Employment benefits

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

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

10. Finance leases

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

11. Service concession arrangements

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

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

12. Operating leases

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

13. Land and buildings

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

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

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

No depreciation is charged on assets in the course of construction. Depreciation is charged from the year of completion and is calculated based on the remaining life of the improved building or building related plant. Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

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

14. Fixtures, fittings, plant and equipment

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

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

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

15. Borrowing costs

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

16. Heritage assets

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

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

17. Investment properties

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

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

18. Stocks

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

19. Cash and cash equivalents

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

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

20. Foreign currency transactions

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

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

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

21. Financial instruments

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

(i) Financial assets and liabilities

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

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

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

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

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

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

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

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

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

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

(ii) Investments

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

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

(iii) Derivative financial instruments

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

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

(iv) Fair value measurement

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

22. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the Institution a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

23. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

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

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

Financial assets

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

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

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

24. Taxation status

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

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

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

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

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

25. Reserves

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

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

26. Critical accounting judgements and key sources of estimation uncertainty

In the application of the University's accounting policies, which are described in points 1 to 24 above, it is necessary to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the University's accounting policies

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

Revenue recognition

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

Investment property

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

Service concession arrangements

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

Key sources of estimation uncertainty

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

Pensions – USS

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The University is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements. This required estimates in respect of future headcount, salary changes and the discount rate to apply.

USS is valued every three years by professionally qualified independent actuaries, and a liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme. During the year the 2018 valuation was completed and details of the outcome of this are included in notes 21 and 25 to the Financial Statements. As part of the 2018 valuation outcome the deficit recovery plan enacted as part of the 2017 actuarial valuation was amended with the employers now required to contribute 2.0% of salaries towards repairing the deficit over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6% to 31 March 2028 (2017: 5% of salaries over the period 1 April 2020 to 30 June 2034). Details of this provision, which has been discounted at a rate of 0.89% (2020: 0.73%) as at 31 July 2021, are included in note 25 to the Financial Statements.

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

Change to current position at 31 July 2021

0.5% pa decrease in discount rate	£0.9m
0.5% pa increase in salary inflation over duration	£0.8m
0.5% pa increase in salary inflation year 1 only	£0.2m
0.5% increase in staff changes over duration	£0.9m
0.5% increase in staff changes year 1 only	£0.2m
1% increase in deficit contributions from October 2021	£7.1m
1 year increase in term	£7.3m

In addition to the conclusion of the 2018 valuation, a valuation as at 31 March 2020 is underway but not yet complete.

Pensions – LGPS

The LGPS deficit is sensitive to the actuarial assumptions used. The assumptions are set following advice received from a qualified actuary. The following table highlights the sensitivities regarding the principal assumptions used to measure the scheme liabilities. The carrying value of the net defined benefit obligation in respect of the scheme at 31 July 2021 is £122.1m (2020: £118.2m).

Change in assumptions at 31 July 2021	Approximate increase in scheme liabilities	
	%	£'000
0.1% decrease in real discount rate	2	6,636
0.1% increase in the salary increase rate	0	462
0.1% increase in the pension increase rate (CPI)	2	6,077
1 year increase in member life expectancy	4	12,487

Market value of investment properties

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

Useful lives of tangible fixed assets

Tangible fixed assets represent a significant proportion of the University's total assets (31 July 2021: 75%, 2020: 80%). Therefore the estimates of the useful lives over which these assets are depreciated could have a significant impact on the University's financial performance. The useful lives and residual values of the University's assets are determined at the time the asset is acquired or construction is completed, and these are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as expiry of leases. Historically, disposal of assets at the end of their lives has not resulted in material loss on disposal charges.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

Year ended 31 July 2021

	Notes	Consolidated		University	
		Year ended	Year ended	Year ended	Year ended
		31 July 2021	31 July 2020	31 July 2021	31 July 2020
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	172,461	174,821	172,461	174,821
Funding body grants	2	42,170	39,446	42,170	39,446
Research grants and contracts	3	35,532	38,027	35,532	38,027
Other income	5	56,800	73,447	54,062	67,761
Investment income	6	125	420	104	417
Donations and endowments	7	4,607	1,170	4,601	1,164
Total income		311,695	327,331	308,930	321,636
Expenditure					
Staff costs	8	180,643	140,673	177,249	136,304
Other operating expenses		85,413	94,847	83,413	92,929
Depreciation	13	31,190	30,663	30,179	29,613
Interest and other finance costs	9	5,230	6,452	5,230	6,443
Total expenditure	10	302,476	272,635	296,071	265,289
Surplus before other gains and losses		9,219	54,696	12,859	56,347
Gain on disposal of fixed assets		434	1,256	434	1,256
Loss on investments		(547)	(1,549)	(547)	(6,489)
Surplus before tax		9,106	54,403	12,746	51,114
Taxation	12	411	158	-	-
Surplus for the year		9,517	54,561	12,746	51,114
Actuarial gain/(loss) in respect of pension schemes	25	4,440	(32,705)	4,440	(32,705)
Transfer of reserves from subsidiary		-	-	-	-
Total comprehensive income for the year		13,957	21,856	17,186	18,409
Represented by:					
Endowment comprehensive income/(expenditure) for the year		202	(95)	202	(95)
Restricted comprehensive income for the year		3,571	13,162	3,571	13,162
Unrestricted comprehensive income for the year		10,184	8,789	13,413	5,342
		13,957	21,856	17,186	18,409

All items of income and expenditure relate to continuing activities.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2021

	Notes	Consolidated		University	
		31 July 2021 £'000	31 July 2020 £'000	31 July 2021 £'000	31 July 2020 £'000
Non-current assets					
Fixed assets	13	474,272	494,310	462,037	481,116
Heritage assets	14	1,165	1,165	1,165	1,165
Investments	16	19,524	19,303	34,415	34,259
Total Non-current assets		494,961	514,778	497,617	516,540
Current assets					
Stock		537	535	507	495
Trade and other receivables	17	28,730	30,322	35,003	32,638
Investments - Current	18	-	-	-	-
Cash and cash equivalents		104,134	68,772	100,962	67,042
Total Current assets		133,401	99,629	136,472	100,175
Less Creditors: amounts falling due within one year	19	(63,168)	(61,480)	(61,823)	(60,357)
Net current assets		70,233	38,149	74,649	39,818
Total assets less current liabilities		565,194	552,927	572,266	556,358
Creditors: amounts falling due after more than one year	20	(106,933)	(112,713)	(106,933)	(112,713)
Provisions					
Pension provisions	21	(166,963)	(163,164)	(166,963)	(163,164)
Other provisions	21	(456)	(165)	(703)	-
Total net assets		290,842	276,885	297,667	280,481
Restricted reserves					
Income and expenditure reserve - endowment reserve	23	2,232	2,030	2,232	2,030
Income and expenditure reserve - restricted reserve	24	63,442	59,871	63,442	59,871
Unrestricted reserves					
Income and expenditure reserve - unrestricted		225,168	214,984	231,993	218,580
Total reserves		290,842	276,885	297,667	280,481

These Financial Statements were approved by Council on 25 November 2021 and were signed on 26 November 2021 on its behalf by:

Professor Nick Jennings CB
Vice-Chancellor and Accountable Officer

Christine Hodgson CBE
Chair of Council

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

Year ended 31 July 2021

Consolidated	Income and expenditure reserve			
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2019	2,125	46,709	206,195	255,029
(Deficit) / Surplus from the income and expenditure statement	(95)	13,386	41,270	54,561
Other comprehensive income	-	-	(32,705)	(32,705)
Release of capital grants with expired asset use restrictions	-	(224)	224	-
Total comprehensive income for the year	(95)	13,162	8,789	21,856
Balance at 31 July 2020	2,030	59,871	214,984	276,885
Surplus from the income and expenditure statement	202	3,571	5,744	9,517
Other comprehensive income	-	-	4,440	4,440
Release of capital grants with expired asset use restrictions	-	-	-	-
Total comprehensive income for the year	202	3,571	10,184	13,957
Balance at 31 July 2021	2,232	63,442	225,168	290,842

University	Income and expenditure reserve			
	Endowment £'000	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1 August 2019	2,125	46,709	213,238	262,072
(Deficit) / Surplus from the income and expenditure statement	(95)	13,386	37,823	51,114
Other comprehensive income	-	-	(32,705)	(32,705)
Release of capital grants with expired asset use restrictions	-	(224)	224	-
Total comprehensive income for the year	(95)	13,162	5,342	18,409
Balance at 31 July 2020	2,030	59,871	218,580	280,481
Surplus from the income and expenditure statement	202	3,571	8,973	12,746
Other comprehensive income	-	-	4,440	4,440
Release of capital grants with expired asset use restrictions	-	-	-	-
Total comprehensive income for the year	202	3,571	13,413	17,186
Balance at 31 July 2021	2,232	63,442	231,993	297,667

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 July 2021

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus for the year		9,517	54,561
Adjustment for non-cash items			
Taxation	12	(411)	(158)
Depreciation	13	31,190	30,663
(Increase)/Decrease in stock		(2)	75
Decrease/(Increase) in debtors		1,558	(715)
Increase/(Decrease) in creditors		6,586	(1,103)
LGPS service costs less contributions paid	25	6,564	5,353
USS deficit provision expense less contributions paid		(199)	(37,900)
(Decrease)/increase in other provisions	21	151	(302)
Receipt of donated equipment		(2,739)	-
Service concession agreement nominal rent	15	(684)	(667)
Adjustment for investing or financing activities			
Investment income	6	(125)	(420)
Interest payable	9	5,230	6,452
Endowment income	7	-	-
Loss/(Gain) on investments		892	1,549
(Gain) on the sale of fixed assets		(434)	(1,256)
Capital grant income		(5,517)	(19,324)
Net cash inflow from operating activities		51,577	36,808
Cash flows from investing activities			
Capital grants receipts		5,449	6,954
Investment income received		119	531
Proceeds from sales of fixed assets		595	-
Net proceeds from sale of subsidiary		-	-
Payments made to acquire fixed assets		(14,380)	(37,964)
Proceeds from sale of investments		-	779
Repayment of long term loans receivable	16	-	12
Redemption of deposits with maturity of more than 3 months	18	-	2,500
Net cash outflow from investing activities		(8,217)	(27,188)
Cash flows from financing activities			
Interest paid		(2,895)	(3,023)
Arrangement fee paid on new borrowings		-	(100)
New borrowings		-	-
Repayments of amounts borrowed	20	(5,103)	(5,466)
Net cash outflow from financing activities		(7,998)	(8,589)
Increase in cash and cash equivalents in the year		35,362	1,031
Cash and cash equivalents at the beginning of the year		68,772	67,741
Cash and cash equivalents at the end of the year		104,134	68,772

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

1 Tuition fees and education contracts	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Full-time UK and EU students	116,485	107,117	116,485	107,117
Full-time international students	51,048	60,395	51,048	60,395
Part-time students	4,928	7,309	4,928	7,309
	172,461	174,821	172,461	174,821

2 Funding body grants	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Recurrent grant				
Office for Students	8,601	8,816	8,601	8,816
Research England	20,769	20,921	20,769	20,921
Education and Skills Funding Agency	569	588	569	588
Capital grant	4,510	2,820	4,510	2,820
Specific grants				
Higher Education Innovation Fund	4,547	3,654	4,547	3,654
Other	3,174	2,126	3,174	2,126
Capital grants	-	521	-	521
	42,170	39,446	42,170	39,446

3 Research grants and contracts	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Research councils	16,096	18,078	16,096	18,078
Research charities	3,035	3,325	3,035	3,325
Government (UK and overseas)	10,201	11,374	10,201	11,374
Industry and commerce	6,200	5,250	6,200	5,250
	35,532	38,027	35,532	38,027

Research grants and contracts income contains £922,000 (2020: £2,437,000), in respect of capital grants on equipment.

4 Grant and fee income	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
The source of grant and fee income, included in notes 1 to 3 is as follows:				
Grant income from the OfS	10,270	9,684	10,270	9,684
Grant income from other bodies	67,432	67,789	67,432	67,789
Fee income for research awards	3,690	3,072	3,690	3,072
Fee income from non-qualifying courses	1,241	3,796	1,241	3,796
Fee income for taught awards	167,530	167,953	167,530	167,953
	250,163	252,294	250,163	252,294

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

5 Other income	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Residences, catering and conferences	36,492	39,664	32,180	32,269
Other revenue grants	4,021	4,197	4,021	4,197
Other capital grants with restrictions	85	13,545	85	13,545
Gift aid received from subsidiaries	-	-	643	388
Other income	16,202	16,041	17,133	17,362
	56,800	73,447	54,062	67,761

6 Investment income	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Investment income on endowments	55	62	55	62
Investment income on restricted funds	2	2	2	2
Other investment income	68	356	47	353
	125	420	104	417

7 Donations and endowments	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
New endowments	-	-	-	-
Donations with restrictions	4,320	1,043	4,319	1,038
Gift aid donations from subsidiary companies	-	-	-	-
Unrestricted donations	287	127	282	126
	4,607	1,170	4,601	1,164

8 Staff costs	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Salaries	134,817	134,382	131,766	130,439
Social security costs	12,549	12,421	12,349	12,163
Change in expected contribution to USS deficit recovery plan	1,670	(36,311)	1,670	(36,311)
Other pension costs	31,607	30,181	31,464	30,013
	180,643	140,673	177,249	136,304

Background: The University is a top 10 UK university and uses remuneration as one of the tools to attract and retain academic and professional services talent. The University's People Strategy sets out five priorities as follows:

- Enabling talent and high performance
- A diverse, respectful and inclusive culture
- Engaging and sustainable reward and recognition programmes
- Workload, wellbeing and resilience
- Outstanding recruitment practices leading to a high-quality candidate experience and new employee experience

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

- The institution's performance against the University strategy and its strategic ambitions
- The size and complexity of the organisation
- The external market and the University's performance against its competitors
- The University's success in attracting and retaining the most talented people at the highest level
- The institution's equality and diversity strategy
- University and Colleges Employer Association's Senior Staff Remuneration Survey
- Committee of University Chairs' Vice-Chancellor Salary Survey

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

8 Staff costs (continued)

Performance assessment: The University's Performance and Development Review (PDR) system provides a robust basis for managing performance, developing staff and informing remuneration decisions. The Vice-Chancellor participates in the same Performance and Development Review (PDR) process as all other staff with the review being performed by the Chair of Council and a performance rating given.

University performance: In considering the performance of the Vice-Chancellor the achievements of the University are also considered and the University has had another very successful year and is consolidating its position as a top 10 institution in the UK. Achievements include:

- 7th in the Guardian league table, 2021
- 7th in the Complete University Guide, 2022
- 7th in the Times and Sunday Times Good University Guide, 2021
- Ranked 2nd* in England (3rd in UK) for overall satisfaction* in the National Student Survey, 2021
- Best university in the world for sports-related subjects for the fifth year running QS World University Rankings by Subject, 2021

Salary benchmarking: As the Vice-Chancellor was due to retire on 31st July 2021, a review of his salary was not carried out. It was noted that the new Vice-Chancellor was due to take up his position on 1st October 2021. The Executive Team's pay was reviewed in relation to the data provided by the UCEA Senior Staff Salary Survey and an assessment of pay parity and equity was conducted. The Committee approved the Vice-Chancellor's recommendations which comprised both rewards for performance and for some, pay adjustments for parity or equity purposes. Rewards ranging from 3% non-consolidated (1 award) and salary adjustments (2 awards) of up to a maximum of £13,000 were awarded.

Note, the Vice-Chancellor receives no additional taxable benefits nor any non-taxable benefits such as living accommodation or transport funded by the University.

Pay multiple: Loughborough University is a campus university, operating retail and catering outlets and maintaining significant university-owned student accommodation. The University retains in-house many support services that have been outsourced at other institutions, for example cleaning, catering, security or facilities management functions. The University has also included in its calculations a significant number of staff who will have received remuneration during the year on the basis of atypical claims contracts. These factors may adjust downwards the median salary of staff compared to other institutions and pay multiples should be considered carefully in that context. The Vice-Chancellor's basic salary is 10.7 times (2020: 9.1) the median pay of staff, where the median is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The Vice-Chancellor's total remuneration is 10.1 times (2020: 11.2) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff.

The following number of staff received remuneration of £100,000 or more (excluding employer's pension contributions):

	2020/21	2019/20
£100,000 to £104,999	5	6
£105,000 to £109,999	7	9
£110,000 to £114,999	12	10
£115,000 to £119,999	6	5
£120,000 to £124,999	4	3
£125,000 to £129,999	3	5
£130,000 to £134,999	2	2
£135,000 to £139,999	3	2
£140,000 to £144,999	-	1
£145,000 to £149,999	-	-
£150,000 to £154,999	-	-
£155,000 to £159,999	2	2
£160,000 to £164,999	-	-
£165,000 to £169,999	-	1
£170,000 to £174,999	-	-
£175,000 to £179,999	1	-
£180,000 to £184,999	-	-
£185,000 to £189,999	1	-
£190,000 to £194,999	-	1
£195,000 to £199,999	-	-
£200,000 to £204,999	1	1
£205,000 to £209,999	-	-
£210,000 to £214,999	-	-
£215,000 to £219,999	1	1
	48	49

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

8 Staff costs (continued)		
Staff numbers by major category :		
Academic	809	848
Teaching and scholarship	156	156
Research	258	271
Management & specialist	607	625
Technical	180	197
Other	977	1,054
	2,987	3,151

The staff numbers by major category disclosed above, are expressed as full-time equivalents and are disclosed as at 1 April each year.

During 2020/21 the Group paid a total of £5,348,000 to 182 employees for compensation for loss of office (2019/20: £494,000 to 65 employees).

Key management personnel

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

The University considers its key management personnel to be the following seven members of staff: the Vice-Chancellor; Provost and Deputy Vice-Chancellor; Pro Vice-Chancellor (Teaching); Pro Vice-Chancellor (Research); Pro Vice-Chancellor (Enterprise); Chief Operating Officer; Director of Finance. Key management personnel compensation excludes amounts paid to the Vice-Chancellor whose remuneration is disclosed above.

	2020/21	2019/20
	£'000	£'000
Key management personnel compensation	1,154	1,207
Emoluments of the Vice-Chancellor:	£	£
Basic salary	297,570	297,570
Pension contributions to USS	17,353	17,090
Payment in lieu of pension contributions to USS	30,329	30,427
Other taxable and non-taxable benefits	-	-
	345,252	345,087

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

9 Interest and other finance costs	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Loan interest	2,881	3,104	2,881	3,095
Finance lease interest (incl. service concession finance charge)	335	345	335	345
Finance charge on USS pension provision	314	1,290	314	1,290
Movement in fair value of derivatives (note 22)	-	-	-	-
Net charge on LGPS pension scheme (note 25)	1,700	1,713	1,700	1,713
	5,230	6,452	5,230	6,443

10 Analysis of total expenditure by activity	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Academic and related expenditure	100,020	107,567	100,316	107,967
Academic services	31,561	30,039	30,655	29,143
Administration and central services	54,360	58,259	53,968	58,479
Premises (including service concession costs)	43,732	44,535	43,886	44,540
Residences, catering and conferences	29,314	32,355	24,062	25,616
Research grants and contracts	26,664	26,304	26,664	26,304
Other expenses including pension provision movements	16,825	(26,424)	16,527	(26,760)
	302,476	272,635	296,078	265,289

Other operating expenses include:

External auditor's remuneration in respect of audit services	118	107	92	88
External auditor's remuneration in respect of non-audit services	28	26	28	26
Operating lease rentals:				
Land and Buildings	1,053	921	1,053	921

11 Access and Participation	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Access Investment (i)	2,281	2,340	2,281	2,340
Financial Support	5,171	5,153	5,171	5,153
Disability Support (i)	1,107	1,173	1,107	1,173
Research and Evaluation (i)	223	162	223	162
	8,782	8,828	8,782	8,828

(i) £1,967,000 (2020: £1,973,000) (Access Investment), £1,068,000 (2020: £1,069,000) (Disability Support) and £210,000 (2020: £147,000) (Research & Evaluation) of these costs are already included in the overall staff costs figures included in the Financial Statements, see note 8

Investment in Access and Participation for 2020/21 is not significantly different to the original APP plan, with reportable spend being within 2% overall (increased spend compared to plan) Spend is slightly reduced compared to 2019/20 levels due to the impact of Covid-19, with restrictions on certain activities to comply with government guidelines.

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

12 Taxation	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Recognised in the Statement of Comprehensive Income and Expenditure				
Current tax				
Current tax expense	-	-	-	-
Adjustment in respect of previous years	-	-	-	-
Current tax expense	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	(411)	(158)	-	-
Deferred tax income	(411)	(158)	-	-
Total tax expense	(411)	(158)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

13 Fixed assets

Consolidated	Freehold Land and Buildings £'000	Leasehold Improvements £'000	Service concession Land and Buildings (note 15) £'000	Fixtures, Fittings, Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
Cost						
At 1 August 2020	497,700	7,563	10,691	252,804	6,667	775,425
Additions	1,516	-	-	6,653	3,333	11,502
Transfers	1,027	-	-	4,773	(5,800)	-
Disposals	(726)	-	-	(4,680)	(151)	(5,557)
At 31 July 2021	499,517	7,563	10,691	259,550	4,049	781,370
Depreciation						
At 1 August 2020	151,665	1,403	3,108	124,939	-	281,115
Charge for the year	11,773	304	518	18,595	-	31,190
Transfers	-	-	-	-	-	-
Disposals	(626)	-	-	(4,581)	-	(5,207)
At 31 July 2021	162,812	1,707	3,626	138,953	-	307,098
Net book value						
At 31 July 2021	336,705	5,856	7,065	120,597	4,049	474,272
At 31 July 2020	346,035	6,160	7,583	127,865	6,667	494,310

University	Freehold Land and Buildings £'000	Leasehold Improvements £'000	Service concession Land and Buildings (note 15) £'000	Fixtures, Fittings, Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
Cost						
At 1 August 2020	482,506	7,563	10,691	244,580	6,667	752,007
Additions	1,516	-	-	6,463	3,333	11,312
Transfers	1,027	-	-	4,773	(5,800)	-
Disposals	(541)	-	-	(4,413)	(151)	(5,105)
At 31 July 2021	484,508	7,563	10,691	251,403	4,049	758,214
Depreciation						
At 1 August 2020	145,881	1,403	3,108	120,499	-	270,891
Charge for the year	11,357	304	518	18,000	-	30,179
Transfers	-	-	-	-	-	-
Disposals	(480)	-	-	(4,413)	-	(4,893)
At 31 July 2021	156,758	1,707	3,626	134,086	-	296,177
Net book value						
At 31 July 2021	327,750	5,856	7,065	117,317	4,049	462,037
At 31 July 2020	336,625	6,160	7,583	124,081	6,667	481,116

At 31 July 2021, freehold land and buildings included £87,792,000 (2020: £87,792,000) in respect of freehold land which is not depreciated.

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

The Exchequer interest at 31 July 2021 was £26,453,000 (31 July 2020 was £29,968,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

14 Heritage assets	Consolidated	University
	£'000	£'000
Cost and net book value		
At 1 August 2020	1,165	1,165
At 31 July 2021	1,165	1,165

The University's heritage assets, which were all acquired more than four years ago, consist of seven works of art such as paintings, vases, trophies, medals and sculptures.

15 Service concession arrangements

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

Movement in service concession arrangement assets and liabilities

The total asset values included in the Balance Sheet as at 31 July 2021 were £7,065,000 (31 July 2020: £7,583,000). The reduction of £518,000 was as a result of depreciation.

The total liabilities relating to the service concessions included in the Balance Sheet as at 31 July 2021 were £8,674,000. (31 July 2020: £9,041,000). The reduction of £367,000 was the result of the £683,000 treated as repaid during the year being offset by a finance charge of £316,000.

Future commitments

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

	Payable in <1 year	Payable in 2-5 years	Payable in >5 years	Total
	£'000	£'000	£'000	£'000
Liability repayments	701	2,617	8,302	11,620
Less: future finance charges	(304)	(1,077)	(1,565)	(2,946)
Present value of service concession agreement obligations	397	1,540	6,737	8,674

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

a) On Balance Sheet service concession arrangements

In March 2002, the University entered into a 35 year contract with a third party provider for the provision and maintenance of student accommodation. The assets and liabilities relating to this scheme are recognised on the University's Balance Sheet. Service commenced on 1 August 2002 and the contract will finish on 31 July 2037. The University has the right to renew the nominations agreement for the life of the 99 year head lease. The University has an annual occupancy guarantee amounting to committed annual payments for the year ended 31 July 2021 of £573,000 (31 July 2020 of £559,000) recorded within other operating expenses.

In August 2003, the University entered into a 20 year contract with a third party provider for the provision and maintenance of student accommodation. The assets and liabilities relating to this scheme are recognised on the University's Balance Sheet. Service commenced on 1 August 2003 and the contract will finish on 31 July 2023. The University has the right to renew the nominations agreement for the life of the 99 year head lease. The University has an annual occupancy guarantee amounting to annual payments for the year ended 31 July 2021 of £110,000 (31 July 2020: £107,000) recorded within other operating expenses.

b) Other service concession arrangements not recognised on the Balance Sheet

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

16 Non-current investments						
Consolidated	Investment in subsidiary companies	Subsidiary investment in spinouts	Investment properties	Long term loans receivable	Other non-current asset investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	-	33	17,212	371	1,687	19,303
Additions	-	-	-	65	-	65
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Movement in fair value	-	-	-	-	156	156
At 31 July 2021	-	33	17,212	436	1,843	19,524

University	Investment in subsidiary companies	Subsidiary investment in spinouts	Investment properties	Long term loans receivable	Other non-current asset investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	8,142	-	24,252	177	1,688	34,259
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Movement in fair value	-	-	-	-	156	156
At 31 July 2021	8,142	-	24,252	177	1,844	34,415

Investment properties, which are all freehold land and buildings, were revalued to fair value at 31 July 2021, based on a valuation undertaken by Avison Young, an independent valuer with recent experience in the location and class of the investment property being valued. There was no material change in the valuation of the properties compared to the valuation undertaken at 31 July 2020, thus there has been no movement in fair value for the financial year.

A market based valuation for the assets, using available comparable information was adopted in determining the fair value. Investment valuations assume the continuing benefit of subsisting tenancies. There are no restrictions on the realisability of investment property. The COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

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

On 1 February 2021, Imago @ Loughborough Limited (fully owned subsidiary of Loughborough University) acquired 100% ownership of Loughborough University Nursery Limited. As part of this acquisition, goodwill of £345,000 was recognised in the consolidated financial statements. Subsequently, the investment was impaired by £345,000 and as a result the goodwill in the consolidated financial statements has also been impaired to £Nil.

	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Carrying value of freehold land and buildings	14,792	15,368	19,309	20,182

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

17 Trade and other receivables	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	4,616	6,418	4,616	6,418
Other trade receivables	15,937	15,946	14,423	15,070
Derivatives	1,439	1,439	1,439	1,439
Prepayments and accrued income	6,738	6,519	6,614	6,367
Amounts due from subsidiary companies	-	-	7,911	3,344
	28,730	30,322	35,003	32,638

Amounts due from subsidiary companies are repayable on demand.

18 Current investments	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Short term deposits	-	-	-	-
	-	-	-	-

19 Creditors : Amounts falling due within one year	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Unsecured loans	5,196	5,103	5,196	5,103
Service concession arrangements (Note 15)	397	367	397	367
Trade payables	13,059	16,437	11,697	15,296
Social security and other taxation payable	3,264	3,629	3,264	3,629
Accruals and deferred income	41,252	35,944	40,967	35,821
Amounts due to subsidiary companies	-	-	302	141
	63,168	61,480	61,823	60,357

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

Deferred income

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

Donations	141	263	141	263
Research grants received on account	21,583	18,591	21,583	18,591
Grant income	691	424	691	424
Other income	9,135	5,468	9,135	5,468
	31,550	24,746	31,550	24,746

20 Creditors : Amounts falling due after more than one year	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Service concession liabilities due after one year (Note 15)	8,277	8,674	8,277	8,674
Unsecured loans	98,405	103,600	98,405	103,600
Other creditors	251	439	251	439
	106,933	112,713	106,933	112,713

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

20 Creditors : Amounts falling due after more than one year (continued)	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Analysis of unsecured loans:				
Due between one and two years	5,292	5,196	5,292	5,196
Due between two and five years	16,504	16,183	16,504	16,183
Due in five years or more	76,609	82,221	76,609	82,221
Due after more than one year	98,405	103,600	98,405	103,600
Due within one year or on demand (Note 19)	5,196	5,103	5,196	5,103
Total unsecured loans	103,601	108,703	103,601	108,703
Unsecured loan repayable by 2035	23,397	24,453	23,397	24,453
Unsecured fixed rate (4.46%) loan repayable by 2039	7,400	7,670	7,400	7,670
Unsecured fixed rate (3.17%) loan repayable by 2041	7,779	8,047	7,779	8,047
Unsecured fixed rate (3.26%) loan repayable by 2043	16,275	16,783	16,275	16,783
Unsecured fixed rate (2.47%) loan repayable by 2037	48,750	51,750	48,750	51,750
Total unsecured loans	103,601	108,703	103,601	108,703

All unsecured loans are repayable to Lloyds Bank PLC.

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

21 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS pension £'000	Pension enhancements on retirement £'000	Defined benefit obligations (Note 25) £'000	Total pension provisions £'000	Other Provisions including Deferred tax £'000	Total other provisions £'000
At 1 August 2020	43,036	1,881	118,247	163,164	165	165
Utilised	(1,869)	(69)	5,933	3,995	(412)	(412)
Additions and remeasurements	1,984	(71)	(2,109)	(196)	703	703
At 31 July 2021	43,151	1,741	122,071	166,963	456	456

University	Obligation to fund deficit on USS pension £'000	Pension enhancements on retirement £'000	Defined benefit obligations (Note 25) £'000	Total pension provisions £'000	Other Provisions including Deferred tax £'000	Total other provisions £'000
At 1 August 2020	43,036	1,881	118,247	163,164	-	-
Utilised	(1,869)	(69)	5,933	3,995	-	-
Additions and remeasurements	1,984	(71)	(2,109)	(196)	703	703
At 31 July 2021	43,151	1,741	122,071	166,963	703	703

Obligation to fund deficit on USS pension: The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating the provision, future staff numbers within the USS scheme and salary inflation (average of 4.11% over the recovery period, 2020: 3.69%) have been estimated for the duration of the contractual period. The provision is discounted at 0.89% (2020: 0.73%).

More details on the 2018 actuarial valuation are set out in note 25. Sensitivity of the obligation to the principle assumptions are outlined under critical accounting judgements above.

Pension enhancement on retirement: The University has an obligation to make payments to a small number of pensioners in relation to a legacy pension enhancement agreement. The provision is calculated based on the University's best estimate of the future cash flows required to settle the obligation. The provision is not discounted as the time value of money is not material to the valuation. The assumptions in respect of life expectancy for calculating this provision are the same as those shown in Note 25, however given the shorter duration of the expected cash flows inflation has been estimated at 1.77% (2020: 1.98%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

22 Financial instruments		Consolidated		University	
The carrying values of the Group and University's financial assets and liabilities are summarised by category below:		2020/21	2019/20	2020/21	2019/20
		£'000	£'000	£'000	£'000
Financial assets	Note				
Measured at fair value through income and expenditure					
Investments in listed ordinary shares		-	-	-	-
Investments in common investment funds		1,802	1,645	1,802	1,645
Debt instruments measured at amortised cost					
Long-term loans receivable	16	436	371	177	177
Measured at undiscounted amount receivable					
Trade and other receivables	17	20,553	22,364	26,950	24,832
Equity instruments measured at cost less impairment					
Non-current asset investments in unlisted equity instruments		75	75	42	42
		22,866	24,455	28,971	26,696

Financial liabilities

Measured at amortised cost					
Loans payable	20	103,601	108,703	103,601	108,703
Obligations under service concession agreements	15	8,674	9,041	8,674	9,041
Measured at undiscounted amount payable					
Trade and other creditors	19	16,323	20,066	15,263	19,066
		128,598	137,810	127,538	136,810

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

Interest income and (expense)

Total interest income for financial assets at amortised cost	6	125	420	104	417
Total interest expense for financial liabilities at amortised cost	9	(3,216)	(3,449)	(3,216)	(3,440)
		(3,091)	(3,029)	(3,112)	(3,023)

Fair value gains and (losses)

On financial assets measured at fair value through income and expenditure	16	156	(2,129)	156	(6,489)
On derivative financial liabilities	9	-	-	-	-
		156	(2,129)	156	(6,489)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

23 Endowment reserves

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments	Restricted expendable endowments	2020/21 Total	2019/20 Total
	£'000	£'000	£'000	£'000
At 1 August 2020				
Capital	1,133	456	1,589	1,741
Accumulated income	287	154	441	384
	1,420	610	2,030	2,125
Investment income	39	16	55	62
Expenditure	(4)	-	(4)	(4)
Increase/(decrease) in market value of investments	108	43	151	(153)
Transfer from restricted reserves	-	-	-	-
Total endowment comprehensive income for the year	143	59	202	(95)
At 31 July 2021	1,563	669	2,232	2,030
Represented by:				
Capital	1,241	499	1,740	1,589
Accumulated income	322	170	492	441
	1,563	669	2,232	2,030

University	Restricted permanent endowments	Restricted expendable endowments	2020/21 Total	2019/20 Total
	£'000	£'000	£'000	£'000
At 1 August 2020				
Capital	1,133	456	1,589	1,741
Accumulated income	287	154	441	384
	1,420	610	2,030	2,125
Investment income	39	16	55	62
Expenditure	(4)	-	(4)	(4)
Increase/(decrease) in market value of investments	108	43	151	(153)
Transfer from restricted reserves	-	-	-	-
Total endowment comprehensive income for the year	143	59	202	(95)
At 31 July 2021	1,563	669	2,232	2,030
Represented by:				
Capital	1,241	499	1,740	1,589
Accumulated income	322	170	492	441
	1,563	669	2,232	2,030

Analysis of consolidated funds by type of purpose:

Prizes and scholarships	809	269	1,078	985
Hardship funds	113	131	244	224
Travel awards and other	115	-	115	103
Lectures	-	269	269	247
Post and departmental support	526	-	526	471
	1,563	669	2,232	2,030

Analysis of consolidated funds by asset:

Current and non-current asset investments			1,740	1,589
Cash & cash equivalents			492	441
			2,232	2,030

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

24 Restricted reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants for restricted use assets	Other capital grants with restrictions	Restricted donations	Revenue grants with restrictions	2020/21 Total	2019/20 Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	57,631	-	2,240	-	59,871	46,709
Grant income	-	1,007	-	35,878	36,885	52,645
Donation income	-	-	4,320	-	4,320	862
Investment income	-	-	2	-	2	2
Capital grants with expired use restrictions	-	-	-	-	-	(224)
Expenditure	-	(1,007)	(870)	(35,764)	(37,641)	(40,118)
Increase/(decrease) in market value of investments	-	-	5	-	5	(5)
Transfer to endowment reserves	-	-	-	-	-	-
Total restricted comprehensive income for the year	-	-	3,457	114	3,571	13,162
At 31 July 2021	57,631	-	5,697	114	63,442	59,871

	2020/21 Total	2019/20 Total
	£'000	£'000
Analysis of consolidated donations with restrictions by type of purpose:		
Post and departmental support	1,254	1,266
Prize funds	15	14
Other	4,429	1,119
	5,698	2,399

University	Capital grants for restricted use assets	Other capital grants with restrictions	Restricted donations	Revenue grants with restrictions	2020/21 Total	2019/20 Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2020	57,631	-	2,240	-	59,871	46,709
Grant income	-	1,007	-	35,878	36,885	52,645
Donation income	-	-	4,319	-	4,319	856
Investment income	-	-	2	-	2	2
Capital grants with expired use restrictions	-	-	-	-	-	(224)
Expenditure	-	(1,007)	(870)	(35,764)	(37,641)	(40,118)
Increase/(decrease) in market value of investments	-	-	5	-	5	(5)
Reserves transferred from subsidiary	-	-	1	-	1	6
Transfer to endowment reserves	-	-	-	-	-	-
Total restricted comprehensive income for the year	-	-	3,457	114	3,571	13,162
At 31 July 2021	57,631	-	5,697	114	63,442	59,871

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

25 Pension schemes

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

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

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

	2020/21 £'000	2019/20 £'000
Contributions paid to USS (excluding amounts paid under the USS deficit recovery plan)	17,849	18,251
Movement on USS provision	1,670	(36,311)
	19,519	(18,060)
LGPS	13,584	11,724
Other pension schemes	174	206
	33,277	(6,130)

(i) The Universities Superannuation Scheme

The total cost charged to the income and expenditure account is £17,849,000 (2020: £18,251,000).

Deficit recovery contributions due within one year for the institution are £5,293,000 (2020: £1,838,000).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increase (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2018 valuation
Pre-retirement:	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
Post-retirement:	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 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:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions. Future staff numbers within the USS scheme and salary inflation (average of 4.11% over the recovery period, 2020: 3.69%). The provision is discounted at 0.89% (2020: 0.73%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

25 Pension schemes (continued)

(ii) Local Government Pension Scheme (LGPS)

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

For LGPS, the actuary has indicated in the 2019 valuation that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the LGPS Regulations.

Under the definitions set out in FRS102, the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2021.

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

Assumptions

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

	2020/21 %pa	2019/20 %pa
Pension increase rate (CPI)	2.85	2.20
Salary increase rate (RPI)	3.35	2.70
Discount rate	1.60	1.40

The Fund Actuary has proposed a change to their standard approach to setting the CPI assumption, to take account of RPI reform. The method for calculating the RPI assumption (on which the CPI assumption is based) has been updated. In addition, the difference between CPI and RPI (the RPI-CPI wedge) has been updated. These changes are linked, and are based on pre-2030 and post-2030 rates. Sensitivity of the obligation to the principle assumptions are outlined under critical accounting judgements.

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

	Males	Females
Current pensioners	21.7 years	24.2 years
Future pensioners	22.6 years	25.9 years

Scheme assets and expected rate of return for LGPS

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

	31 July 2021 £'000	31 July 2020 £'000
Equities	110,263	87,506
Bonds	55,131	47,591
Property	13,307	12,282
Cash	11,406	6,141
Total	190,107	153,520

	2020/21 £'000	2019/20 £'000
--	------------------	------------------

Analysis of the amount shown in the Balance Sheet

Scheme assets	190,107	153,519
Scheme liabilities	(312,178)	(271,766)
Deficit in the scheme – net pension liability	(122,071)	(118,247)

Analysis of the amount charged to staff costs within operating surplus

Current service cost	13,238	12,142
Past service costs (including curtailments)	346	(418)
Total operating charge	13,584	11,724

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

25 Pension schemes (continued)	2020/21	2019/20
	£'000	£'000
Analysis of the amount charged to interest payable		
Interest cost on defined benefit obligation	3,866	5,127
Interest income on plan assets	(2,166)	(3,414)
Net charge to interest and other finance costs	1,700	1,713
Analysis of other comprehensive income for LGPS		
Return on assets excluding amounts included in net interest	31,771	(13,235)
Changes in financial assumptions	(27,258)	(24,097)
Changes in demographic assumptions	(3,847)	(4,494)
Other experience	3,774	9,121
Total other comprehensive income before deduction for tax	4,440	(32,705)
Analysis of movement in the present value of scheme liabilities		
Present value at the start of the year	271,766	239,643
Current service cost	13,238	12,142
Past service cost including curtailment	346	(418)
Interest cost	3,866	5,127
Actual member contributions	1,564	1,629
Actuarial loss	27,331	19,470
Actual benefit payments	(5,933)	(5,827)
Present value at the end of the year	312,178	271,766
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	153,519	161,167
Interest income on plan assets	2,166	3,414
Actuarial gain on assets	31,771	(13,235)
Actual contributions paid by University	7,020	6,371
Actual member contributions (including notional contributions)	1,564	1,629
Actual benefit payments	(5,933)	(5,827)
Fair value of scheme assets at the end of the year	190,107	153,519
Actual gain on scheme assets in the year	33,937	(9,821)

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

The estimated employer's contribution payable to LGPS in the financial year 2021/22 is £7,007,000.

In determining the valuation of the Leicestershire County Council Pension Fund, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the University:

- Discount rate;
- Inflation rate; and
- Life expectancy

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

iii) Teachers' Pension Scheme

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

26 Subsidiary undertakings

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

Company name	Shareholding	Principal activity
Imago @ Loughborough Limited	100%	Management of conference and related commercial facilities
Loughborough University Enterprises Limited	100%	Marketing of the expertise and facilities of the University in applicable specialist areas
Loughborough University Nursery Limited	100%	Provision of child care services
Loughborough University Development Trust (non-trading)	Limited by guarantee	Promotion of the charitable purposes of the University

On 1 February 2021 Imago @ Loughborough Limited (fully owned subsidiary of Loughborough University) acquired 100% ownership of Loughborough University Nursery Limited.

27 Associated undertakings

The Group has the following interests in associated undertakings:

Company name (registered office)	Shareholding	Principal activity
Previsico Limited (LUSEP, Holywell Building, Holywell Way, Loughborough, Leicestershire, LE11 3UZ)	30%	Exploitation of 'FloodMap Live: Real-Time Nowcasting/Flood Analytics' technology
Zayndu Limited (LUSEP, Holywell Building, Holywell Way, Loughborough, Leicestershire, LE11 3UZ)	37%	Exploitation of 'Plasma Drum Reactor: Seed Disinfection' technology
Figura Analytics Limited (LUSEP, Holywell Building, Holywell Way, Loughborough, Leicestershire, LE11 3UZ)	37%	Exploitation of 'Flow Resistive Pulse Sensors to Detect Bacteria in Liquids' technology

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

28 Connected charitable institutions

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

	Loughborough University Development Trust £'000
At 1 August 2020	-
Income	1
Transfers to Loughborough University	(1)
At 31 July 2021	-

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

29 Related party transactions

The University's Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures. All balances outstanding at the year-end are held on normal credit terms and do not carry any interest.

	2020/21 Income £'000	2020/21 Expenditure £'000	Balance due to the University at 31 July 2021 £'000	Balance due from the University at 31 July 2021 £'000
Members of Council				
Leicestershire County Council	81	(11)	35	(2)
Royal Holloway UOL	58	(18)	-	-
Senior members of the University				
Loughborough Students Union	493	(2,581)	7	(40)
Rolls Royce	4,532	(1,352)	126	(864)
EPSRC	11,365	(9,035)	946	(8,234)
Loughborough College	198	(96)	-	-
Manufacturing Technology Centre	193	-	-	-
Loughborough Schools Foundation	1	(172)	-	-
Office for Students Advisory Committee	5	(144)	-	-
Associated undertakings				
Zayndu Limited	-	-	100	-
Previsico Limited	-	-	95	-
Micropore Technologies	-	-	30	-
Figura Analytics Limited	-	-	65	-

The total expenses paid to or on behalf of 7 council members were £3,121 (2020: £8,096 to 11 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and any other events in their official capacity. The University Officers and Members of Council have also had access to the catering, sporting and other facilities of the University on terms which are available to all members of University staff.

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

	2019/20 Income £'000	2019/20 Expenditure £'000	Balance due to the University at 31 July 2020 £'000	Balance due from the University at 31 July 2020 £'000
Members of Council				
Leicestershire County Council	88	(4)	6	-
Loughborough Students' Union	231	(116)	132	(3)
Rolls Royce	1,187	(979)	94	(916)
Heriot-Watt University	-	(103)	-	-
Senior members of the University				
British Council	220	(220)	9	(125)
English Institute of Sport	274	(60)	56	(3)
EPSRC	13,386	(9,864)	1,279	(6,749)
Loughborough College	173	(94)	2	-
Manufacturing Technology Centre	74	-	16	-
University of Birmingham	692	(194)	177	(75)
Loughborough Schools Foundation	-	(126)	-	-
Associated undertakings				
Zayndu Limited	-	-	100	-
Previsico Limited	-	-	95	-
Micropore Technologies	-	-	30	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

30 Consolidated reconciliation of net debt				
	at 1 August 2020 £'000	Cash flows £'000	Non-cash changes £'000	at 31 July 2021 £'000
Cash in hand	68,772	35,362	-	104,134
Current investments	-	-	-	-
Debt due within one year	(5,470)	(93)	(30)	(5,593)
Debt due after one year	(112,274)	5,195	397	(106,682)
	(48,972)	40,464	367	(8,141)
Fixed investments	2,091	-	221	2,312
Total	(46,881)	40,464	588	(5,829)

31 Financial commitments	Consolidated		University	
	2020/21 £'000	2019/20 £'000	2020/21 £'000	2019/20 £'000
Commitments contracted	12,715	9,357	12,695	9,337

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

Consolidated	2020/21			Total £'000	2019/20 Total £'000
	Land and buildings £'000	Plant and machinery £'000	Other leases £'000		
Payable during the year	1,053	-	-	1,053	921
Future minimum lease payments due:					
Not later than one year	1,053	371	1,891	3,315	2,852
Later than one year and not later than five years	4,441	93	65	4,599	4,607
Later than five years	2,718	-	-	2,718	4,000
Total lease payments due	8,212	464	1,956	10,632	11,459

University	2020/21			Total £'000	2019/20 Total £'000
	Land and buildings £'000	Plant and machinery £'000	Other leases £'000		
Payable during the year	1,053	365	2,084	3,502	3,145
Future minimum lease payments due:					
Not later than one year	1,053	360	1,891	3,304	2,824
Later than one year and not later than five years	4,441	88	65	4,594	4,582
Later than five years	2,718	-	-	2,718	4,000
Total lease payments due	8,212	448	1,956	10,616	11,406

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

32 Leases receivable

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

	Consolidated		University	
	2020/21	2019/20	2020/21	2019/20
	£'000	£'000	£'000	£'000
Future minimum lease payments receivable:				
Not later than one year	2,436	2,029	3,181	2,774
Later than one year and not later than five years	6,497	5,822	9,477	8,802
Later than five years	2,595	3,956	19,364	21,491
Total lease payments receivable	11,528	11,807	32,022	33,067

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

33 Events after the reporting period

USS Pension Scheme - The USS Pension Scheme 2020 valuation has now been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As a result of the valuation a new, dual rate Schedule of Contributions has come into effect. Under the first leg of the revised Schedule deficit contributions equal to 6.3% of salaries are payable from 1 April 2022 until 31 March 2038. The second leg of the Schedule only comes into effect if the JNC recommended deed on benefit changes has not been executed by 28 February 2022 and requires deficit contributions of 3% of salaries from 1 October 2022, increasing every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032.

As at 31 July 2021 and assuming all other assumptions used to calculate the provision remain unchanged, the implementation of leg one of the recovery plan would have resulted in a revised provision of £115,690,000, an increase of £72,539,000 from the current year end provision.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

34 US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Figures for 2019/20 are shown as restated to reflect a change to the University's interpretation of the prescribed methodology for the preparation of this disclosure. The rounded composite score is unaffected by these changes. All figures presented are consolidated.

Primary Reserve Ratio

Page	Expendable Net Assets		2020/21		2019/20 (restated)	
			£'000	£'000	£'000	£'000
49	Statement of Financial Position - Income and expenditure reserve - unrestricted	Net assets without donor restrictions	-	225,168	-	214,984
49	Statement of Financial Position - Income and expenditure reserve - endowment reserve, restricted reserve	Net assets with donor restrictions	-	65,674	-	61,901
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Secured and Unsecured related party receivable	1,404	-	1,996	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Unsecured related party receivable	-	1,404	-	1,996
74	Appendix A Note for Property Plant and Equipment	Property, plant and equipment, net (includes Construction in progress)	475,437	-	495,475	-
74	Appendix A Note for Property Plant and Equipment	Property, plant and equipment - pre-implementation	-	431,132	-	454,262
	Not applicable	Property, plant and equipment - post-implementation with outstanding debt for original purchase	-	-	-	-
74	Appendix A Note for Property Plant and Equipment	Property, plant and equipment - post-implementation without outstanding debt for original purchase	-	40,972	-	35,513
74	Appendix A Note for Property Plant and Equipment	Construction in progress	-	3,333	-	5,700
	Not applicable	Lease right-of-use asset, net	-	-	-	-
	Not applicable	Lease right-of-use asset pre-implementation	-	-	-	-
	Not applicable	Lease right-of-use asset post-implementation	-	-	-	-
	Not applicable	Intangible assets	-	-	-	-
	Not applicable	Intangible assets	-	-	-	-
49	Statement of Financial Position - Pension provisions	Post-employment and pension liabilities	-	166,963	-	163,164
61	Note of the Financial Statements - Creditors : Amounts falling due after more than one year - Total unsecured loans	Long-term debt - for long term purposes	103,601	-	108,703	-
61	Note of the Financial Statements - Creditors : Amounts falling due after more than one year - Total unsecured loans	Long-term debt - for long term purposes pre-implementation	-	103,601	-	108,703
	Not applicable	Long-term debt - for long term purposes post-implementation	-	-	-	-
	Not applicable	Line of Credit for Construction in process	-	-	-	-
	Not applicable	Lease right-of-use asset liability	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

34 Financial Responsibility Supplemental Schedule Audit Requirement (continued)

Primary Reserve Ratio (continued)

Page	Expendable Net Assets (continued)		2020/21		2019/20 (restated)	
			£'000	£'000	£'000	£'000
	Not applicable	Pre-implementation right-of-use leases	-	-	-	-
	Not applicable	Post-implementation right-of-use leases	-	-	-	-
	Not applicable	Annuities with donor restrictions	-	-	-	-
	Not applicable	Term endowments with donor restrictions	-	-	-	-
	Not applicable	Life income funds with donor restrictions	-	-	-	-
49	Statement of Financial Position - Income and expenditure reserve - endowment reserve, restricted reserve	Net assets with donor restrictions: restricted in perpetuity	-	65,674	-	61,901
Total Expenses and Losses						
48	Statement of Comprehensive Income and Expenditure - Total expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities	-	302,476	-	272,635
48	Statement of Comprehensive Income and Expenditure - Investment Income, Loss on investments, Actuarial gain in respect of pension schemes	Non-Operating and Net Investment (loss)	-	(4,018)	-	33,834
48	Statement of Comprehensive Income and Expenditure - Investment income, Loss on Investments	Net investment losses	-	422	-	1,129
	Not applicable	Pension-related changes other than net periodic costs	-	-	-	-

Equity Ratio

Modified Net Assets						
49	Statement of Financial Position - Income and expenditure reserve - unrestricted	Net assets without donor restrictions	-	225,168	-	214,984
49	Statement of Financial Position - Income and expenditure reserve - endowment reserve, restricted reserve	Net assets with donor restrictions	-	65,674	-	61,901
		Intangible assets	-	-	-	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Secured and Unsecured related party receivable	1,404	-	1,996	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Unsecured related party receivable	-	1,404	-	1,996
Modified Assets						
49	Statement of Financial Position - Total Non-current assets, Total current assets	Total Assets	-	628,362	-	614,407
	Not applicable	Lease right-of-use asset pre-implementation	-	-	-	-
	Not applicable	Pre-implementation right-of-use leases	-	-	-	-
	Not applicable	Intangible assets	-	-	-	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Secured and Unsecured related party receivable	1,404	-	1,996	-
69	Note of the Financial Statements - Related party transactions - Balance due to the University	Unsecured related party receivable	-	1,404	-	1,996

Net Income Ratio

Net Income Ratio						
48	Statement of Comprehensive Income and Expenditure - Unrestricted comprehensive income for the year	Change in Net Assets Without Donor Restrictions	-	10,184	-	8,789
48	Statement of Comprehensive Income and Expenditure - Total Income (less Investment income plus Gain on disposal of fixed assets)	Total Revenue and Gains	-	312,004	-	328,167

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

34 Financial Responsibility Supplemental Schedule Audit Requirement (continued)


Appendix A Note for Property Plant and Equipment


	2020/21		2019/20 (restated)	
	£'000	£'000	£'000	£'000
Pre-implementation Property, Plant and Equipment	431,132		454,262	
Construction in progress		3,333		5,700
Post Implementation Property, Plant and Equipment:				
Freehold Land and Buildings		23,418		22,713
Leasehold Improvements		-		-
Service concession Land and Buildings		-		-
Fixtures, Fittings, Plant and Machinery		17,555		12,800
Total Property, Plant and Equipment	475,437		495,475	
As per the Statement of Financial Position:				
Fixed Assets		474,272		494,310
Heritage Assets		1,165		1,165
	475,437		495,475	


Loughborough University
Leicestershire LE11 3TU


T: +44 (0)1509 222 222
E: enquiries@lboro.ac.uk

www.lboro.ac.uk

 [@lborouniversity](https://twitter.com/lborouniversity)
[@lborolondon](https://twitter.com/lborolondon)

 [/lborouniversity](https://www.facebook.com/lborouniversity)
[/lborolondon](https://www.facebook.com/lborolondon)

 [/lborouniversity](https://www.youtube.com/lborouniversity)
[/lborolondon](https://www.youtube.com/lborolondon)

 [/lborouniversity](https://www.instagram.com/lborouniversity)
[/lborolondon](https://www.instagram.com/lborolondon)