

LIVERPOOL HOPE UNIVERSITY

England & Wales · Charity number 1060579

Details

Other names	LIVERPOOL HOPE, LIVERPOOL INSTITUTE OF HIGHER EDUCATION
Status	Registered
Legal form	Charitable company
Company number	03285547
Registered	1997-02-06
Register	View on the Charity Commission register

Contact

Address	Liverpool Hope University College Hope Park Taggart Avenue Liverpool L16 9JD
Phone	01512913233
Email	leyshoj@hope.ac.uk
Website	http://www.hope.ac.uk

Activities

Objects: (A) THE HIGHER AND FURTHER EDUCATION OF MEN AND WOMEN THE EDUCATION AND TRAINING OF PERSONS INTENDING TO ENTER, OR ENGAGED IN, THE TEACHING PROFESSION:(B) THE FURTHERANCE OF THE ROMAN CATHOLIC CHURCH AND THE CHURCH OF ENGLAND, OF CHRISTIAN EDUCATION, OF ECUMENICAL IDEALS, AND OF THE UNDERSTANDING BETWEEN CHRISTIAN CHURCHES IN THE PROMOTION OF THE GOSPEL:(C) THE ADVANCEMENT OF KNOWLEDGE BY RESEARCH, SCHOLARSHIP, TEACHING AND LEARNING.

Activities: Higher Education

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Knowsley
- Liverpool City
- Sefton
- St Helens
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£56,855,310	£57,907,408	£182,530,840	644
2024-07-31	£56,948,688	£57,572,761	£170,437,897	642
2023-07-31	£58,243,423	£55,934,221	£165,970,677	644
2022-07-31	£6,635,196	£54,245,842	£150,431,021	638
2021-07-31	£55,012,469	£48,983,289	£108,860,965	616

Trustees

Name	Role	Appointed
Deborah Frances Shackleton		2022-10-13
Dr Edwin Ameuda Djabatey		2021-09-03
Dr Penny Haughan		2019-09-25
Elisabeth Mill		2025-07-04
Fr Christopher McCoy		2014-08-01
GILLIAN ELIZABETH BOGGAN		2024-11-20
Jane Beever		2017-08-01
Lesley Carol Martin-Wright		2021-08-02
NICHOLAS HARRY WILLIAM DAWE		2024-08-01
Paula Raper		2020-07-08
Peter Waller-Flynn		2025-01-28
Professor Denise Barrett-Baxendale		2025-12-23
Rev Canon Professor Peter Sydney Neil		2024-10-03
Rev Geoffrey Felton		2023-01-30
Sarah Louise Meir		2025-10-22
Steven Walter Townley		2023-08-01
Timothy James Valentine Alderman		2021-08-02

Accounts



LIVERPOOL HOPE
UNIVERSITY

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Liverpool Hope University

Financial Statements

for year ending 31st July 2025

Registered Company Number: 3285547

A company limited by guarantee,
without share capital, registered in England

Registered Charity number: 1060579



Financial Statements

for the year ending 31 July 2025

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Chair of Council's Welcome

It's with pleasure that I introduce Liverpool Hope University's Annual Report and Financial Statements for the financial year 2024/25.

The five-year strategic plan, introduced by Vice-Chancellor Professor Claire Ozanne, sets out the institution's objectives up to 2028, and we are delighted to report significant progress against the plan's key strategic pillars. Social justice and access to education remains a key part of our ethos, underpinned by our rich history rooted in faith. The last academic year was particularly significant as we marked 20 years since we were granted degree awarding status.

Liverpool Hope will continue looking forward to protect the quality and longevity of our teaching and research outcomes, and this year has seen the introduction of a number of exciting new initiatives that will benefit our University, our students and our community.

The strategic plan aims to further establish Hope as an anchor organisation within the Liverpool city Region and globally, and we have already made progress in this through partnerships, collaborative research and by acting on our civic responsibility to make a contribution to solving economic and societal issues.

Liverpool Hope University stands out for its people-centred approach; knowing our students by name and small class sizes enable us to adopt a tailored approach to teaching and support. We are not only focused on academic rigour, but we pride ourselves on our robust pastoral support and overall student experience.

Our University-wide commitment to our students and quality education was reflected

in the most recent 2025 National Student Survey results, which placed Hope first in the North West across eight areas, including categories such as teaching, learning opportunities, academic support and student voice. Analysis by Times Higher Education of these results place the University fourth nationally for overall student satisfaction.

Enhancing the University's learning provision has been central to strategic decisions this year, and this has seen the introduction of new programmes to our portfolio. We are delighted to have enhanced our postgraduate offer with a new suite of flagship masters programmes with course content underpinned by research and real-world experience.

Our staff are a valued part of our University, and we recognise their collective and individual contributions over the last academic year, particularly through some challenging periods. To complement our People Strategy, the University has now approved a new Digital Strategy to be rolled out in the coming months. This will ensure that our colleagues have the digital tools and processes in place to support their work and future-proof the institution in this digital age.

Over the course of this academic year, we also celebrated the launch of our degree apprenticeship programmes, marking an exciting new chapter for Hope. The team have worked tirelessly to get these programmes off the ground and we are set to welcome our first cohorts across teaching, youth and community work, social work and physiotherapy this coming September.

Our regional and international partnerships are integral to the work that we do as an institution - It is these collaborations that enable us to make a real impact through our work.

Research will always be central to our work as a university and this year, our research provision has seen major developments, most notably with the introduction of the Symplectic Elements research management system. The platform enables the University to capture research areas from across our faculties and showcase output, impact and activities.

The University has introduced new interdisciplinary research themes to foster collaboration across disciplines and address contemporary societal challenges, while two innovative doctoral pathways - the Global PhD and the PhD by Published Work - have been launched. This aims to provide greater flexibility and inclusivity for candidates at different stages of their academic and professional careers, and supports the University's ambition to broaden participation in advanced research.

These collaborations demonstrate commitment to supporting economic and technological development in the region. There are sector-wide challenges facing higher education institutions in the UK, and Liverpool Hope University is not immune to those. We continue to plan for the future and look forward to seeing the positive impact of our strategic decisions.

Our students remain a priority and it is essential that their education and overall experience at Hope is not affected, and this has been an important consideration in all decision-making. Alongside changes to our portfolio and course offerings, we have also developed new commercial opportunities with sustainability and growth at the forefront.

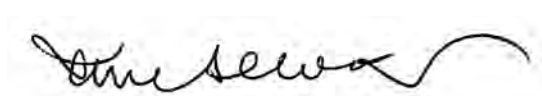
I am once again honoured to serve as Chair of University Council and to present you with this Annual Report.

Other noteworthy updates:

- The Business School continues to deliver world-class education and has retained the prestigious AACSB accreditation. The School echoes AACSB's pursuit for excellence in education and to make a positive contribution to the region.
- Vice-Chancellor Professor Claire Ozanne was commissioned as an Ecumenical Fellow

of the College of Canons of Liverpool Cathedral, strengthening this relationship further. Professor Ozanne will now also take up the position as elected chair of the Cathedral Group of Universities

- We have recently embarked on an exciting collaboration with Malvern International to establish the Liverpool Hope International Study Centre. This will enable us to offer Foundation, Year One and pre-masters courses to international students, enhancing our position as a global university.
- For the first time this year, Hope sponsored an awards category in the Educate North Awards for 'Outstanding Achievement for Social Mobility'. Members of the Hope team represented the institution at a wonderful awards night in Manchester, with some of our own students also in attendance. These awards celebrate excellence, high achievement and improvement across the North.
- This year saw one of our colleagues awarded the prestigious Sir CV Raman Visiting Professorship at the University of Madras. This accolade reflects the growing strength of our international academic collaborations and underscores the global recognition of the University's research excellence and contribution to knowledge exchange.
- Liverpool Hope is also very proud to play an active role in shaping the regional and national agenda for space and high-altitude research through its engagement with the Liverpool City Region Space Partnership, and membership of the High Altitude Pseudo Satellites (HAPS) Alliance.
- Hope's collaboration with SIL will see our colleagues deliver an innovative AI-centric conference to educators. This project aims to ensure that educators provide the best environment for AI learning in a modern world, bringing together experts from across the fields of computer science, digital development, school improvement and educator development.



Mrs Jane Beever
Chair of University Council
19th November 2025

Strategic Report

Liverpool Hope is a superb University rooted in a vibrant and exciting city. The University is proud of its past, confident in its present and ambitious for its future.

With a history extending more than 180 years, Liverpool Hope has developed a distinctive ethos that brings together scholarship, research and teaching, with an educational philosophy based on the triune quest for Truth, Beauty and Goodness. The institution is deeply committed to a culture of research and knowledge exchange and to preparing graduates to serve the common good.

The challenges within the sector will require the University to adapt and evolve. However, the longstanding missions and values of the University will continue to underpin plans for the future. Liverpool Hope is a University where the individual and individuality matter; where ambitious people are able to grow and staff contributions and achievements are valued and recognised. Liverpool Hope is committed to supporting and promoting equality and diversity to create an inclusive learning and working environment that recognises and respects difference.

As Vice-Chancellor, it is a privilege to lead the institution in this phase of its evolution. The Strategic Plan, launched in May 2024 continues to enable us to build on the strong foundations and ethos embedded

at the core of Hope and is based around five pillars, supported by a number of enabling strategies.

The five pillars are:

- Ethos and Community
- Education
- Research, Scholarship and KE (Knowledge Exchange)
- Partnership and Voice
- Sustainable and Future Ready

The plan sets out ambitions to take the University to the next level, increasing its national and international reputation, while students and community remain at the heart of what Liverpool Hope stands for.

Ethos & Community

During 2024/25 a special event celebrated 25 outstanding years of degree provision and live changing opportunities at the Network of Hope. The University Centre at Holy Cross College in Bury allows for students to study flexibility with in-person evening classes that allow students to balance study with the demands of work and family.

The University is proud to be part of the Disability Confident Scheme, and is committed to supporting diversity and equality. The Disability Confident Scheme focuses on challenging attitudes towards disability, increasing understanding of disability, and removing barriers to disabled people.

The Disability Confident Scheme is a Department of Work and Pensions scheme based in the UK. It helps organisations to think differently about disability in relation to employment, retention, training and career development. The University is striving to achieve the highest level by 2027.

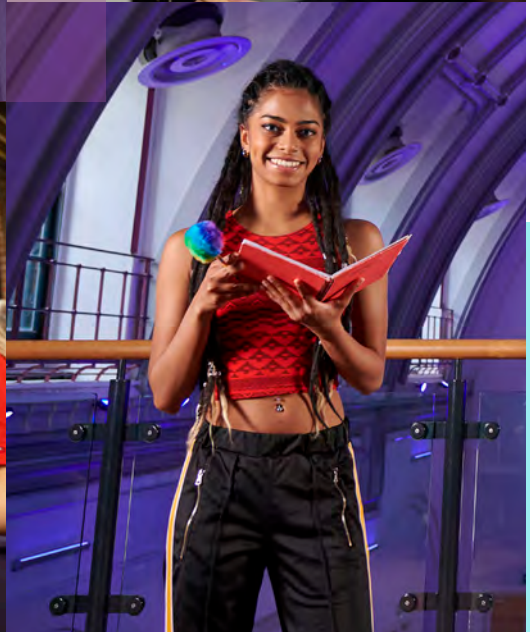
The University is delighted to continue to engage with the supported internship scheme coordinated by Liverpool City Council. Supported internships are a structured, work-based study programme for 16- to 24-year-olds with SEND. The core aim of a supported internship is a substantial work placement facilitated by the support of a trained job coach. The University has worked closely with Liverpool City Council, Childwall Abbey and Sandfield Park schools. For the academic year 2025/2026 four new

placements will be joining us, marking the fourth year of our involvement. The university has previously been recognised by the City Council as an Above and Beyond Partner and a Best Working Partnership Partner.

Hope has recently achieved Aspiring Level of the Fair Employment Charter. The Fair Employment Charter was established by Mayor Steve Rotherham for the Liverpool City Region, celebrating fair employment practices. By joining the Charter, the University is committed to the principle of fair employment and playing a part in building a healthy, fair, inclusive, and just Liverpool City Region.

The Defence Employer Recognition Scheme (ERS) includes a pledge to promote being armed forces-friendly, that demonstrates and advocates support to the armed forces community, ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly. The University has signed up to the first level of the scheme and is working towards bronze membership.

Historically the University has paid the Voluntary Living Wage and continued to do so in 2024/25.



Education

Liverpool Hope University is committed to providing an excellent education that transforms lives.

Learning and teaching assessment

The University provides a learning experience which is both personalised and community-orientated, achieved through a clear awareness of the Liverpool Hope student profile, and a commitment to understanding students' different characteristics and needs. This experience equips students to be active participants in their learning and prepares them, through the development of skills and knowledge, to make a difference for good in the world as future leaders in a wide range of contexts. This commitment is set out in the University's Learning Teaching and Assessment Strategy. This strategy is based on two fundamental concepts, firstly the attributes which every Hope graduate should have and secondly the underpinning principles of Learning, Teaching and Assessment at Hope. The graduate attributes are mapped for every course to show how the curriculum and learning activities underpin.

The University holds a TEF award and gained silver recognition in both Student Experience and Student Outcomes categories. An institutional memory bank has been established to collect examples of good practice for the next TEF. The University's Communities of Practice (COP) scheme for staff development continued, with new COPs being introduced in students as partners and Gen AI. The structure of the University Virtual Learning Environment and course handbooks was substantially updated in response to the academic framework review. A peer enhancement policy provides the

opportunity for colleagues to observe good practice in the classroom.

A web page of resources and guidance on GenAI was developed for students and a google site for teaching staff. A resource hub on accessibility design and good practice was developed for staff. The new i3 Building provides enhanced teaching spaces from lecture theatres to tutorial room and student learning areas including group rooms. A simulation lab providing an immersive technology-led learning experience was also launched and has been used for teaching, student assessments and a range of recruitment and wellbeing activities.

Introduction of faculties

The University launched the faculties in September 2024. This development has improved administrative efficiency, facilitated academic collaboration and allowed a more coordinated approach to developments within the faculties. This change provided opportunities for career progression for a number of colleagues, including the introduction of Associate Dean posts for specific focus on student experience, research and knowledge exchange and external engagement in each faculty.

As part of the introduction of a faculty structure, the University revised its course offering to ensure a strong portfolio of degrees. The University developed and recruited students for a new course in Sport and Exercise Nutrition, introduced a number of new postgraduate taught programmes and has also refined its offer of combined honours degrees to make the University portfolio more navigable. In order to support the QA of the ongoing development of the portfolio,

the University has appointed a new Senior Quality Officer.

Degree Apprenticeships

LHU secured £635,418 of funding from the Office for Students (OfS) to set up a Level 6 Degree Apprenticeship provision. The University officially launched as a registered Department for Education approved apprenticeship training provider in May 2025 and now offers five level 6 Degree Apprenticeship programmes in Teaching (Primary and Special Educational Needs routes), Physiotherapy, Youth Work and Social Work. Programmes recruited for an Autumn 2025 start with a further four programmes being designed for the next stage of development.

National Student Survey 2025

Liverpool Hope University has been ranked fourth in the UK for student satisfaction following analysis by Times Higher Education (THE) of the 2025 National Student Survey (NSS) results. The annual National Student Survey (NSS) is a census of all final year undergraduate students in the UK. Over 357,000 final year higher education students took part in the NSS in 2025, approximately 71.5 per cent of students who were eligible, making this the largest survey of its kind. The annual survey asks students to share their thoughts on a range of topics relating to their university experience.

Liverpool Hope has achieved a strong set of results across the board, finishing first in the North West in eight categories. The University saw improvements across a number of main categories and attracted an overall response rate of 83%. These scores rank the institution in the top five nationally for learning opportunities (3rd), assessment and feedback (3rd), academic support (2nd), student voice (5th) and freedom of expression (2nd).

The University continues to develop and augment its support for students.

- An enhanced provision using Studiosity was introduced for English Language support for international students.
- The online system using QR codes was introduced to facilitate more effective recording of student attendance. This has enabled teams to manage support for students with low attendance, regular and accurate data means that students can be contacted early and offered support.
- The student support fund was widened to provide opportunity for a greater proportion of the student body to apply. This has been specifically beneficial for PGCE students.
- Pastoral support teams have been aligned to give a consistent and wrap around service for students. Student Life is established as the first point of contact, a service that offers support to all students.
- Student Engagement Officers offer a signposting and referral service. They proactively contact students and manage events as part of the wider wellbeing team.

Organised by the Students' Union the annual ceremony is an opportunity for the student body to recognise those who go the extra mile to make Hope a better place. This year's event generated more interest than ever before, with 620 nominations received representing a 46% increase on previous year.

Insight to Business Awards

Outside the curriculum students continued to embrace a wide range of opportunities made available to them. In 2024/25 the University's annual Insight to Business Awards saw the Business School and a range of business partners join forces to offer experience and short term placement opportunities to undergraduates, this year embracing the new faculty structure with MSB Solicitors selecting a winner from nominated Law School undergraduates

alongside the Business School awards. An evening reception for nominees and business representatives celebrated 13 winners from 48 nominated students across levels I and H recognised on the night. There were 11 organisations involved including new supporters such as The Clatterbridge Cancer Center NHS Foundation Trust, and regular supporters including Lloyds Bank, Liverpool Chamber of Commerce and MHA accountancy, tax and advisory professional services.

Plas Caerdeon

The University offers students the opportunity to spend time at its campus in North Wales. The new 2024/25 student engagement programme at Plas Caerdeon continued its inclusive approach. Student attendance was a little down on the previous year with 704 students visiting in the autumn and spring. Students gained qualifications in First Aid, Mountaineering and navigation and paddlesports. Field studies and dissertation writing retreats also proved popular with the student body.

Partners in the city

There is also encouragement to work with partners in the city. Staff at Liverpool Hope's Creative Campus are working in close partnership with Citizens UK Liverpool to bring about change in local communities like Everton. The University fosters positive working relationships between communities, elected power-holders and businesses to collaborate on finding solutions to shared challenges and influence change to achieve shared goals.



Research & Knowledge Exchange

Liverpool Hope University is a vibrant academic community with high scholarly standards.

In order to underpin the Strategic Plan, the research, scholarship, and knowledge exchange (KE) strategy is being refined to support engagement in excellent research and knowledge exchange activities which have impact on societal challenges and underpin our learning and teaching.

The University submitted over 96% of its active research staff (colleagues with Significant Responsibility for Research) in thirteen Units of Assessment for REF 2021. All 13 subject units were assessed as having aspects of their work in Internationally Excellent (3*) or world-leading (4*) categories. The subjects submitted were English Language and Literature; Theology and Religious Studies; Psychology; History; Computer Science and Informatics; Nutrition; Sport and Exercise Sciences; Geography and Environmental Studies; Politics and International Studies; Education; Music, Drama, Dance, Performing Arts; Social Work and Social Policy; Art and Design.

The University is continually developing its research profile and has an ambitious agenda for the future to build on the REF 2021 results. Objectives include fostering interdisciplinary approaches to knowledge creation and exchange, scaling-up external funding for research and supporting innovation to increase capacity to seek solutions to the challenges facing society. Liverpool Hope's REF 2021 submission is an indicator of the inclusive and broad-based research culture in the University, which provides a strong foundation for the enhancement of Hope's academic standing and the impact of its work.

Liverpool Hope University engages in a wide range of impactful research across disciplines such as Humanities, Social Sciences, Business, Education, Performing Arts and Design, Psychology, Geography and Environmental Science, Health Sciences, Law, and Computing Science and Engineering. These research initiatives exemplify the University's commitment to producing work that delivers real-world benefits. For instance, research on terrorism and political violence

has provided crucial insights into the psychological processes behind politically motivated violence, influencing global policymakers, security services, NGOs, and the public to enhance counter-terrorism strategies. A study on age-related changes in colour vision reformed clinical diagnosis and treatment, particularly benefiting older adults, while research into exercise and nutrition for muscle strength in older populations demonstrated the value of resistance exercises and a protein-rich diet for improving mobility and quality of life, shaping health promotion practices worldwide. The University's contributions extend further to areas such as educational practices, environmental conservation, agricultural innovations, mental health interventions, renewable energy advancements, cultural studies, biomedical research, social policy, welfare systems, and innovations in engineering and design.

The University continues to strengthen its research and knowledge exchange activity through a range of strategic developments and partnerships, both nationally and internationally. Key initiatives include the establishment of five interdisciplinary Research Themes and the introduction of the University Research Day to foster collaboration, enhance researcher visibility, and support a thriving research culture. Our doctoral provision has expanded with the Global PhD and PhD by Published Work routes, which enhance inclusivity and international engagement. The successful launch of Symplectic Elements has streamlined research management and significantly raised the visibility of our academic outputs, with over 92% of staff profiles now publicly accessible. External funding activity continues to grow, with 81 bids submitted in 2023–24 and notable successes including grants from the Royal Academy of Arts, British Academy, and US AID. While our participation in the M-SCALE regional bid did not result in funding, it demonstrated the University's growing profile in collaborative research. We remain actively engaged in the Liverpool City Region Space Partnership and the HAPS Alliance, hosting key events

and contributing to regional innovation in high-altitude and space research.

Hope's academic community continues to gain national and international recognition. A member of staff received the Sir C. V. Raman Visiting Professorship at the University of Madras, supported by the endowment established from the 1930 Nobel Prize, underscoring the University's expanding international profile. Additionally, we are proud that a senior colleague has been invited to serve on the national REF 2029 People, Culture and Environment (PCE) Pilot Panel, contributing directly to shaping future national research assessment frameworks. The University has led and contributed to impactful research and public engagement across fields such as cyber security, arts and inclusion, sport and society, and health inequalities. Recent highlights include the Inequalities and Health Summit, the Future of Space: North West conference, and a PGR Day showcasing interdisciplinary doctoral research. Projects such as the co-creation of multisensory rooms for individuals with learning disabilities, inclusive visual arts exhibitions, and community programmes for at-risk youth exemplify our applied and values-led research. Together, these initiatives demonstrate Liverpool Hope University's ongoing commitment to advancing research with real-world impact, while nurturing a vibrant, collaborative, and outward-facing academic culture.

National and International Partnerships

During 2024/25 the University has continued to build its reputation both nationally and internationally and to strengthen its relationships with external partners.

Strategic Partnerships

The University entered into a three year contract in June 2023 with Ambition Institute to validate its PGCE for its ITT programme. Liverpool Hope will also supply joint creation of a learning support plan; E-Library access, email; access to Turnitin and marking and feedback. Ambition Institute is a national education charity and the largest provider of teacher education in England.

In joining the Growth Platform, established by the Liverpool City Region Local Enterprise Partnership, the University has engaged with key networks and stakeholders in the City Region, and continues to explore mutually beneficial collaborative opportunities that will

deepen its contribution to the sustainable growth and wellbeing of the region and its communities.

Hope contributes to landmark 2040 plan

Liverpool City Council has published a detailed report looking at how to create a better future for residents in the city over the next 15 years.

The University is proud to have contributed to this data-led report as a member of the Liverpool Strategic Partnership, alongside other organisations across the city region.

The Liverpool 2040 Plan, (<https://liverpoolhopeuniversity.newsweaver.com/1dlm6taw52/chgwx5axya3q9vi8hmytr1/external?a=6&p=13067434&t=4006540>) available to view online, outlines a framework to support collaboration across dozens of key organisations with the aim to make Liverpool the UK's leading city for opportunity.

The Liverpool 2040 plan also sets out how city partners will collaborate to improve life-long educational standards whilst

addressing deep rooted socio-economic and health inequalities, as well as global challenges such as climate change.

Led by our Vice-Chancellor, Hope contributes towards key themes within the report, working with the council and fellow organisations to outline goals around key strategic pillars: the Next Generation, Exciting Distinctive City & Vibrant Public Services..

We have also re-energised a series of academic partnerships with universities in the USA, China, the Philippines, India and South Korea to support student mobility and knowledge exchange. This work will bring benefits and opportunities to our students and staff which we seek to continue developing over the coming year.

Conferences

During 2024/25 the University was delighted to host a number of national and international conferences. This included the following:

Runaway Filming (February 2025)

The University welcomed a film crew that used the University campus for filming a Netflix production written by the author Harlen Coben.

PSS Conference (February 2025)

With over 100 attendees 'How we built our village' was an event hosted by social care and charity 'Person Shaped Support' for mental health and well-being. This conference was co delivered by parents touching on their own personal experiences in life.

Experience of the Workplace: Innovation of the Liverpool City Region (March 2025)

This joint conference from 'All about STEM' and Liverpool City Region welcoming students from local schools to engage in taster session to gain direct access to potential careers within the workplace environment.

Universal Pentecostal Church (March 2025)

Returning client from a local church brought over 400 new guests from a local church to host their of the University Pentecostal celebrations.

Rainbow Education Multi Academy Trust (June 2025)

Welcomed an innovative group of schools aiming to provide an excellent education to children across the Mersey City region. With the aim is to ensure that each child achieves their potential no matter what background or circumstances they come from.

Mothers Union (June 2026)

A Christian Charity supporting families working to end poverty, inequality and injustice.

European Youth Parliament (July 2025)

Returning for another year, the University hosted a 160+guests youth led educational conference with full board and catering provision.

International Health Summit (February 2025)

Senior figures from states across Nigeria visited the University for *Leading with Purpose*, a transformative three-day course focused on enhancing leadership capabilities for sustainable organisations.

The Faculty of Business, Law & Criminology designed and delivered a tailored academic programme for 17 delegates, who attended face-to-face seminars, participated in interactive workshops and heard keynote addresses from the University's industry partners.

The course, which concluded with a certificate presentation, covered various topics, including leading diverse organisations, how leaders can support wellbeing, and leading in challenging times.

Outreach and Widening Access and Participation

The University aspires to strengthen delivery on its Life-Long Learning mission, including widening access and participation and ensuring good outcomes for graduates.

We have an approved Access and Participation Plan (APP) in place. Through commitment to the APP we have an ambitious set of strategic aims that support attainment raising in schools and which seek to improve outcomes for students who may otherwise be less likely to access higher education and succeed once there. The University seeks to ensure equality for everyone that applies or registers with us regardless of ethnicity, background or financial hardship.

Furthermore, the University is committed to the Outreach and Widening Access and Participation agenda more generally through its outreach work. This includes through its partnership with Holy Cross College Bury (the Network of Hope) where higher education courses are delivered locally for those who might otherwise have limited access to provision.

The University fulfils its ambitions in relation to Access and Participation by offering support for students through a series of scholarships, and through on course funds for those who are struggling financially. The Learning Support Fund is available to students from the groups

identified in the Plan; with the aim of ensuring that discontinuation of studies is avoided. Details of the expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The University continued to invest in a range of facilities and services to support disabled students, ensuring they are able to fully participate in the life of the University. In 2024/25, 28.03% of Liverpool Hope students had a declared disability. This is significantly higher than the sector average, and reflects the mission and values of the institution.

The total expenditure in the four categories was £1,545,460. This represents a similar figure compared to 2023/24 £1,410,431.

Capital developments

Underpinned by the desire to deliver an excellent education and student experience and a commitment to reducing environmental impact, the University continues to develop its estate and IT infrastructure.

2 Islington Square

The building is Grade II listed and is sited within the Shaw Street Conservation Area. Planning and Listed Building consent was obtained on 21st June 2023. Phase 1 stabilisation works are underway and design work continues to finalise proposals. Beyond phase 1, further dialogue will be sought to explore future options.

Gerard Manley Hopkins (GMH) decarbonisation

A grant application to the Public Sector Decarbonisation Scheme to decarbonise the heating and domestic hot water systems at Gerald Manley Hopkins Hall was approved and a Grant Offer Letter was signed to support the development. The main works commenced in June 2025.

Other capital work include the electrical upgrade at Plas Caerdeon, and the Conference Centre and improvements to teaching facilities at the Creative Campus.

Digital Strategy

The Digital Strategy Roadmap was approved as a five-year enabling strategy designed to support delivery of the University's Strategic Plan across education, research, operations, and partnerships. The roadmap is organised into seven themes: Infrastructure; Student Lifecycle Management; Data Management & Reporting; Gateway to Systems & Services; Digital Learning Ecosystem; Research and Change Management.

All capital developments have been fully paid for from cash reserves and have been designed in a way to minimise the University's dependence on fossil fuels, as part of a move towards net zero.



Financial Performance

The University takes financial performance seriously and has robust financial processes and procedures in place to ensure the financial sustainability of the University is always protected.

While Liverpool Hope has always had a strong financial foundation, we have experienced the challenges felt throughout the sector. In July 2024, University Council formally approved a deficit budget of £2,250,000 (3.9%).

Through careful management of the resources, additional income generating activities, the two in year reforecast exercises and strong financial controls together with a favourable FRS102 adjustment, the final result was a deficit of £1,052,098 (1.85%). A deficit indicator should not, on its own, be used to judge longer-term sustainability. Accounting treatments can often distort movements in surplus and deficit levels between years, meaning that there are risks in using surplus levels alone to assess underlying financial performance.

Our approach in 2024/25 and beyond, we will continue to build on established partnerships and contracts to diversify income streams. For transformational change we will focus on deployment of resources in our operating models, including digital investment and approaches for an efficient and effective workforce.

Whilst recognising risk and uncertainty in planning for the future, further income growth is expected.

Financial Performance Indicators are summarised below.

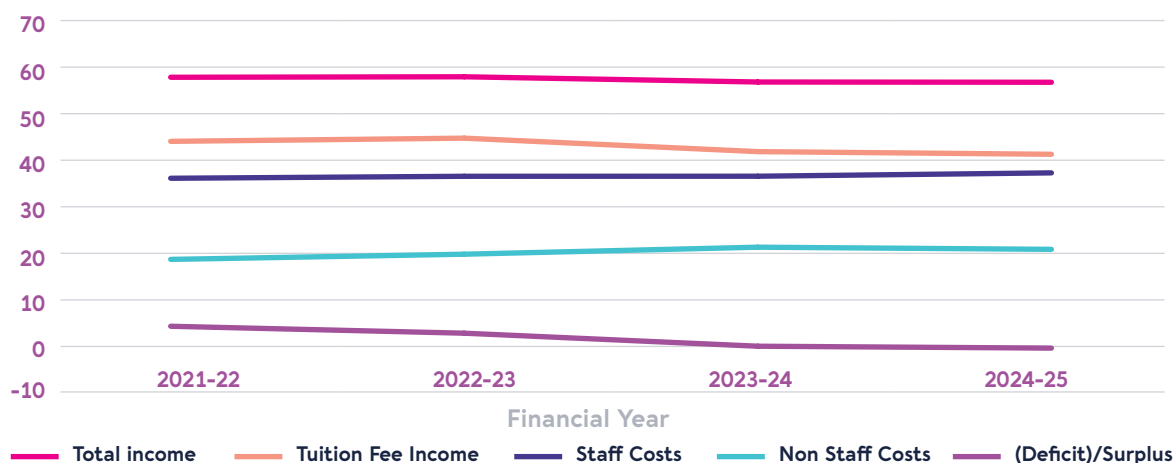
	2024/25	2023/24
	£000	£000
Operating (deficit)/surplus	(1,052)	(624)
Staff as a percentage of income	66%	64%
Net cash (outflow)/inflow	581	26
Net cash (ouflow)/inflow as a percentage of income	1.02%	0.05%
Liquidity days	135	148

Report by the OfS: Financial Sustainability of higher education providers in England: 2025 highlights ongoing financial challenges with 43% forecasting deficits., indicating a third consecutive year of declining financial performance. The report also highlights that all groups, except for specialist groups have reported a drop in liquidity days and that net liquidity days will fall again in 2024/25. The University results follow these OfS findings.

Cash reserves at year end £20.1m (2023/24 £21.6m). Net cash inflow during the year was £588,001 compared with 2023/24 cash inflow of £26,342.

The Statement of Comprehensive Income for the year is set out on page 58. Using this data the chart below demonstrates the impact of fixed home fees on the University over the last four years. Annual surpluses are declining due to static income and rapidly rising staff and non-staff costs.

Financial Results over a 4 year period



As the majority of our students are Home UG students, the reduction in student numbers and the decision to freeze the tuition fee at £9,250 (since 2017 and in real-terms is less), has meant that fee income is decreasing while the cost base increases. A Commercial

Board has been established and within the five-year strategic plan., KPIs have been set to ensure financial sustainability, as income sources diversify.

Student Numbers

As at 31st July 2025 the University had 5,301 students (31st July 2024: 5,047 students).

	Full Time Students	Part-Time Students
Undergraduate	4,115	80
Postgraduate (taught)	290	252
Postgraduate (research)	34	78
PGCE	293	13
Other	140	-
Total	4,872	429

Treasury Management Policy

The University had gradually increased the level of cash reserves so that it could undertake its extensive capital programme without needing to resort to external finance.

In July 2025 Cash and Cash equivalents and Investments, had reduced by £7445,872 to £21,654,694 compared to July 2023. This was not unexpected due to payments of £4.9 million during the year for the i3 building and £1.2 for Islington Square.

All investments are made in line with the University Treasury Management Policy, ensuring that investments are ethical and risk averse.

The outstanding value of the one remaining University bank loan had reduced to £2,845,387 at the year-end (2023 - £3,198,050), and no new loans were taken out in 2023/24. All borrowing is undertaken in the name of the University and conforms to bank covenants and OfS requirements. The Treasury Management policy is updated annually and was revised in October 2024.

Risk Management

The University takes the management of risk seriously and reviews the institutional risk register on a quarterly basis to track risks and mitigations. The University takes proportionate and planned risk where appropriate to help achieve its strategic objectives and in line with institutional risk appetite.

Each School, Faculty and Department has their own risk register. The Risk Management Oversight Group (RMOG) reviews risk across the university and make recommendations for the University Executive Board to consider; the group members include senior staff, reflecting all areas of the University.

The University risk register is overseen by the Audit Committee on behalf of University Council. The University has a comprehensive internal control scrutiny and review by the internal auditors system to manage risk. This includes a program of work by the internal auditors which directly addresses risks identified in the risk register.

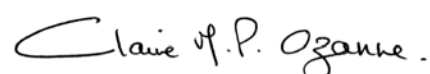
The risk register is a dynamic document, updated to reflect changing circumstances with formal review four times per year. The University continues to scan the policy environment and is fully engaged with sector bodies and local, regional and national partners to inform the identification and mitigation of risk.

The risk register captures the key risks to the institution. With regards to financial sustainability, all of the financial modelling undertaken to date provides reassurance of the University's long-term financial sustainability.

The University enters the next phase of its development with a clear strategic vision as outlined in the new Strategic Plan and is confident that it can adapt to, manage and minimize the risks faced.

This vision is endorsed by the University Governance structure and ownership is embedded across all senior management.

As we enter 2025/26 we are aware that this will be a particularly challenging year but we are confident that we will be able to flourish and thrive.



Professor Claire Ozanne
Vice Chancellor & Rector
19th November 2025



Directors Report

Legal status

Liverpool Hope University was re-constituted in 2005 by order of the Privy Council under Section 129B of the Education Reform Act 1988, as a single, joint Anglican-Roman Catholic ecumenical University. It is registered in England and Wales as a Company Limited by Guarantee (3285547) and registered as a Charity (1060579).

In 2002 taught degree awarding powers were secured and the title Liverpool Hope University College officially bestowed. In July 2005 the granting of full University status led to the adoption of the title Liverpool Hope University and in August 2009, the Privy Council granted the University the power to award research degrees.

In the academic and financial year 2024/2025 there were 5,301 students and 644 members of staff, with a range of degrees at undergraduate and postgraduate levels.

Members of the University Council

(A list of directors can be found on page 34)

All the members of the University Council are directors of the Company. No director had any interest in any contract made by the University during the financial year, other than a contract of employment as a member of staff and that described in note 20 to the accounts.

Mission Statement

The Mission Statement reflects both the University's traditions and its intention to develop and maintain a distinctive and forward-looking programme relevant to local, regional, national and international needs.

Liverpool Hope University is an ecumenical, Christian foundation which strives:

- to provide opportunities for the well-rounded personal development of all students;
- to educate the whole person in mind, body and spirit, irrespective of age, social or ethnic origins or physical capacity, including in particular those with promise who might otherwise not have had an opportunity to enter higher education;
- to be a provider of high quality educational programmes responsive to the needs of students in the UK and abroad;
- to sustain an academic community, enriched by Christian values and culture, which supports teaching and learning, scholarship and research, encourages the understanding of other faiths and beliefs, and promotes religious and social harmony;
- to be globally credible while contributing to the educational, religious, cultural, social and economic life of Liverpool, Merseyside, North-West England and beyond.

Equality and Diversity

The University is cognisant of its obligations under the Equality Act 2010 and has due regard to equality and diversity in its policy making processes. Its Equality and Diversity Policy and other related information can be found at:

www.hope.ac.uk/gateway/staff/peopleservices/equalitydiversityandinclusion

The University has an Equality & Diversity and Inclusivity Steering Committee which reports to the University Executive Board, Senate and the Staffing Committee of University Council. The Committee reviews achievement of the Steering Committee takes an overview of the University's equality objectives and analyses data reports to ensure that any issues relating to groups with protected characteristics are identified and then tackled. The University has participated in the Aurora programme to support women into management and leadership positions and is planning to apply for its Athena Swann membership.

Employee Involvement

As part of our strategic plan the university prizes the participation and engagement of its employees and encourages this through a range of communication channels. These channels include formal and informal exchanges, digitally, remotely and face to face throughout the University structure and in its various formal committees. Leadership communication from the Vice Chancellor to the Senior Management Team and from there to the individual Faculties, Schools and Departments supports and encourages two-way feedback and communication.

The Hope Forum was established to enable employee voices to be heard and colleagues at all levels are able to provide input to decision making with the purpose of maintaining a vibrant, positive and engaged community that supports success, is attractive to students and welcomes a diverse range of voices. Other

channels include the Joint Consultative and Negotiating Committee (JCNC) – a forum for management and Trades Unions representatives which meets a minimum three times a year. The Hope Bulletin arrives in inboxes weekly to invite colleagues to events, celebrate achievements and mark progress.

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on trade union facility time reporting. For Financial Year ending 31st July 2025 there were 22 trade union representatives equating to 18.64 FTEs at a cost of £26,399. In terms of percentage of working hours spent on facility time, there were 14 employees working less than 0% and 8 employees working between 1% to 50% of their working hours.

Supplier Involvement

When engaging suppliers, the University utilises a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Areas of Public Benefit provided by Liverpool Hope University

In shaping its objectives and planning its activities the University has considered the Charity Commission guidance on public benefit. The University through oversight of its activities at University Council meetings is confident that it fully satisfies the Public Benefit requirements of the Charity Commission as there is a direct benefit to students from its activities and an indirect benefit to the public at large. The Public Benefit requirement requires two principles to be met.

1. There must be an identifiable benefit or benefits.

The objects of the University are:

- the higher education of men and women including the education and training of persons intending to enter, or engaged in, the teaching profession;
- the furtherance of the Roman Catholic Church and the Church of England, of Christian education, of ecumenical ideals, and of understanding between Christian Churches in the promotion of the Gospel;
- the advancement of knowledge by research and scholarship and teaching and learning;

This is a clearly identifiable benefit.

2. The benefit must be to the public or a section of the public. This area is expanded below.

As well as the students themselves, the University provides benefits for the general public. This includes a range of events such as concerts, lectures and the Angel Field Festival that are either free or accessible for a minimal charge.

Health and well-being initiatives are also run at the University which the public is able to attend. The University's Service and Leadership award encourages students to undertake a range of voluntary activities across the local community and overseas and is recognised by a formal award at the end of their degree. The University is a partner of Contact the Elderly and participates in Childwall in Bloom.

Environment and Sustainability

Liverpool Hope University has a moral and ethical approach to stewardship of the Earth and a responsibility to create a better quality of life for present

and future generations and strives to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. The University recognises the negative and positive impacts that it has on the environment, economy and society both locally, nationally and globally. The University, however, is well placed to make an exceptional contribution – well positioned through its teaching and research; influence on students, staff and communities; and through its business and campus operations.

Sustainability is central to the University's mission and values and forms one of the five pillars of the University's Strategic Plan and our decisions and actions reflect the concern that our community has for our environment. Hope's Sustainability Policy commits the University to increasing its positive contribution and reducing its negative impact on the environment in six key impact areas: awareness and engagement, utility consumption, travel and transport, waste, estates development and procurement; all of which contribute to the University's carbon emissions.

The University has committed to achieving net zero Scope 1 and 2 emissions by 2040 and net zero Scope 3 emissions by 2050 at the latest.

The University's Scope 1 and 2 carbon emissions during 2024-25 (August to July) were 2,163 tonnes CO₂e (equivalent to 0.025 tonnes CO₂e per GIA:86,210.53m²) and have been calculated using the Government conversion factors for company reporting of greenhouse gas emissions (see below). The University's total Scope 1 and 2 emissions have decreased by 58.5% since 2005-2006, and decreased by 12% compared to last year (2023-2024).

This is despite growth in the size of the University's estate during the same period.

Work is continuing to collate and analyse the University's relevant Scope 3 emissions:

Emissions Source	Scope	Consumption (2024-2025)	Tonnes CO2e	% difference between 2005-2006 and 2024-2025 (consumption)	% difference between 2023-2024 and 2024-2025 (consumption)	Consumption per Student (headcount - July)
Gas	1	6,629,022 kWh	1,213	-41.0	-3.8	1,394
Fugitive Emissions	1	80kg	154	+283	+181	0.03
Fuel used in owned vehicles	1	4,114L	10.3	-34.4	+1.0	0.9
Electricity	2	5,307,349 kWh	939	-18.4	-3.0	1,116
Total	1 & 2	-	2,316	-55.6	-5.8	0.49
Scope 1&2 emissions	3	as above	566	as above	as above	as above
Water (supply & treatment)	3	48,946 m3	18	-22.4	-1.7	10.3

Carbon reduction projects have continued to contribute to the decrease in carbon emissions with the continued installation of LED lighting and controls; fine-tuning the Building Management System; installation of solar panels and decarbonisation of University buildings (as below). The University has generated over 125k kWh from its on-site solar panels; and is aiming to increase its generation over the coming years.

The University's Estates team has been successful with seven separate grant funding bids to the Government Public Sector Decarbonisation Scheme since 2020 enabling the University to access over £2.57m grant funding: Phase 2 - St Julies halls of residence works completed

in 2021-2022 (Salix Public Sector Decarbonisation Scheme Phase 2) included replacing the gas fired heating system with electric panel heaters (removing over 80% of the gas consumption), replacing the original steel framed single glazed windows with double glazing, installing internal wall insulation and solar PV; Phase 3a - Trinity project completed in 2022-23 replaced the gas heating system with an Air Source Heat Pump (removing 100% of the gas consumption), installing double glazing, solar PV and a Building Management System; Phase 3b – Angela Halls of Residence completed in 2023-2024 replaced the gas fired heating system with electric panels heaters, replaced the gas fired domestic hot water with an ASHP (removing 100% of the gas consumption)

and installed internal wall insulation on the outer facing walls. Phase 3c decarbonising the Gerard Manley Hopkins Halls of Residence started in June 2025 replacing the gas fired heating system with electric panel heaters and the gas fired domestic hot water with an ASHP (removing 100% of the gas consumption) and will be complete in September 2025. The University has also successfully applied for Salix PSDS Phase 4 funding for the Conference Centre and School of Social Sciences A which will replace the gas fired heating and hot water generation with an ASHP and point of use water heaters removing 100% of the gas consumption; this project will reduce the University's gas consumption by a further 2%.

Going concern

The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The University currently has one remaining loan of £2.8 million of loans outstanding with bankers, secured by a fixed and floating charge on University assets. The University's forecasts and financial projections indicate that it will be able to meet the financial commitments in relation to this loan for the foreseeable future, after consideration of reasonably expected changes in performance.

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

The financial statements have been prepared on a going concern basis which the Council considers to be appropriate for the following reasons.

The University has prepared a financial model and cash flow forecasts for a period up to July 2026 which takes account of severe but plausible scenarios. After

reviewing the assumptions underpinning these forecasts, the Council is of the opinion that the University will have sufficient funds to meet their liabilities as they fall due, over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic but not unrealistic assumptions to demonstrate going concern, reduction in recruitment, inflationary increases in relation to staffing and general inflation, Utility costs. Even on this basis, liquidity levels are forecast to remain strong despite funding the committed capital programme from cash reserves.

Consequently, the Council is confident that the 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.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Section 172 Statement

The members of the University Council are Trustees of the University and directors of the Company. In line with their duties under s172 of the Companies Act 2006, directors act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members

as a whole. As part of the decision-making process, matters that are of strategic importance to the Company, the Board and its Committees consider the potential impact of decisions on relevant stakeholders. Whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Students

Liverpool Hope takes pride in providing its students with a distinctive learning experience in this stage of their learning journey. Liverpool Hope offers the best possible student transformational experience enabling staff to get to know students one by one. This is delivered through high quality teaching and pastoral support, learning resources that underpin teaching and learning and a variety of learning spaces. This learning environment challenges and develops the students to enable them to progress on their journey into the workplace or further study.

The University considers it extremely important that effective ways are found to hear the whole students' voice in order to respond to their concerns and build a supportive learning community. A well-functioning Students' Union is a vital part of this endeavour and the University ensures that the Student Union attends all of its major decision-making bodies so that the student voice is heard.

<https://www.hope.ac.uk/gateway/students/studentvoice/>

Employees

Each year the University frameworks in place to support staff and ensure compliance with our ethical, legal and employment obligations are reviewed to confirm their alignment with the external legal and compliance environment and our internal values and mission. These include formal staff policies and procedures which cover all aspects of the

employment relationship: performance, reward, well-being, health and safety, personal development and training, and underpinning recruitment, selection and promotion procedures. During this year the People Strategy was fully reviewed to align with the new University strategy. As part of this work there was also an extensive review of performance management and performance review processes, with a similar review of promotions processes planned for the forthcoming academic year.

In the last year, there has been significant emphasis on work to support staff well-being and engagement. This included a Health and Safety Executive Survey and a specific well-being survey focused on staff well-being. A number of key findings from these surveys were shared through different media like the Hope Bulletin and communication from the Vice Chancellor through the Senior Leadership team through to Faculty, School, Department and Team to maximise engagement with staff and stakeholders.

A range of media are in place to enable feedback from staff back to managers so any areas of concern can be dealt with early and effectively. Transparent and regular management communication channels are used to support our strategic and operational objectives. The University was able to demonstrate some key improvements in staff well-being from these survey results.

The University continues to maintain a framework of policies and procedures which ensure that it meets its obligations in terms of ethical, legal and employment compliance. These are reviewed regularly through various fora to ensure their suitability, relevance and alignment with the university's strategy, mission and values. These support the full employment relationship from selection and recruitment through health and safety, performance, training and development, reward, well-being and promotion procedures. This allows us to continue to attract and retain a diverse range of highly skilled and suitably qualified staff from

all over the world. Wellbeing and work-life balance are embedded in our culture through flexible working, agile working, support for menopause and mental health, a commitment to grow and support staff networks.

Building on the full review of the University's Performance Appraisal process in 2024, the review of the process for academic promotions is also underway to be implemented in the forthcoming academic year of 2025-2026.

The University has also begun a review of the current Academic Promotions framework. This includes developing the framework to ensure consistency across academic roles and widening the promotion process to enable all academic staff to apply. Phase one is nearing completion with phase 2 expected at the beginning of 25/26.

Our Carer's Leave policy has had a successful pilot year and has offered three-day's paid leave to those with carer responsibilities to improve upon the statutory provision of five days leave (unpaid), in addition to the existing range of leave options for colleagues throughout their working lives. A new Menopause policy has been introduced and we continue to develop our staff expertise in dealing with sexual harassment to support those who are affected by this issue in our community.

The work on employee engagement, well-being and inclusion has continued from last year's Health and Safety Executive Survey. Stress and well-being performance indicators have been put in place with new stress and well-being procedures to support proactive stress management and mitigation through updated policy, organisational level stress risk assessment, code of practice, and new departmental/school risk assessment templates and guidance tools for managers. The University provided a half-day stress management training for University managers. Also notable, the University received Disability Confident Committed Employer in 2024 (level one status) and has now progressed to Disability Confident Employer (level

two status) in 2025. There are three levels in the accreditation and as a university we have worked incredibly hard to grow from level one to two in less than one year. We anticipate that progress to the next stage will take longer and the University Strategic Plan Key Performance Indicator in this area is to obtain level three by 2028. The University has also obtained a bronze award on the Defence Recognition Programme. The University has also obtained Aspiring Level for the Fair employment charter. The University is currently working towards achieving Accredited status of the Fair Employment Charter by 2028. Mindful of the financial well-being of staff we have run training and development sessions on budgeting, debt management, mortgages and other financial issues.

Information is cascaded from the Senior Team through to Faculty, School, Department and Team meetings so that all staff have an opportunity to understand how that leadership is shaping what we do in our individual work and how that contributes to the strategic direction of the University. As part of this aligned structure the University has appointed a Chief Operating Officer to reconfigure the Resourcing functions of the University. This role will direct the ongoing work to move to a comprehensive digital strategy for our Information Technology service.

The University continues to ensure that its offering to employees is of a high standard and includes attractive terms and conditions, flexible working, health and well-being initiatives and support, with equality and diversity integral to all aspects of its work. Colleagues are allowed time away from their work to engage with these initiatives. Significant challenges in changes to the immigration system mean that the University has focused on reviewing changed visa routes to ensure the University is aligned with the most appropriate legal practice. We have implemented the national pay award as instructed by UCEA and our commitment to paying a real living wage underpins this as it has done for a number of years with uplifts in excess of £40,000.

We continually engage in partnership working with our trade unions locally and nationally through our Joint Higher Education Trade Union, UCEA. Work planned includes carrying out a review of the pay spine, contract types, workload and pay gaps that are identified in the sector.

Suppliers

Procurement within the University is carried out in accordance with legal requirements, the University Financial Regulations and Procurement Policy. A carefully managed University that works efficiently and effectively delivering value-for-money is central to the University's Strategic Plan and our procurement activity supports that goal. Liverpool Hope University recognises that in order to achieve its ambitious strategic objectives, we need our suppliers to be on board.

When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Liverpool Hope University has a moral, ethical and social responsibility to consider the impacts of its activities on students, employees, wider stakeholder groups, as well as on the environment. In order for this to happen, all of our suppliers are given the opportunity to complete an on-line assessment tool to improve their environmental performance and ensure they are making a positive impact on society.

The University has enjoyed a number of successes including; working with our travel management company to promote sustainable and value for money travel options and our waste management company to increase staff and student engagement. We also work closely with our Estates suppliers to look at energy saving

projects and initiatives.

Community Engagement

During 2024 - 25 the Community Engagement team has built on the previous years' work through the growth of projects and the expansion of the offer across the year. The primary goal for the CET seeks to make connections between people, creating opportunities to connect, share skills, find friendships and offer support. The CET is driven by a University-wide committee made up of colleagues from across faculties and professional services.

1. Thematic working groups

The development of thematic working groups has been implemented through the CET Committee to drive forward specific university agendas, particularly in relation to issues of inclusion and social justice.

One of the key focus areas for the working groups is social justice issues across the University. Recognising the contribution made by Professional and Campus Services teams to student and community engagement supports the People and Planet League Table status for Liverpool Hope University.

The impact from a 2024 published academic paper based on research that originated within the CET explored the cost of living crisis for students. This is a positive development and aligns with the goals for the CET over the next year, to further engage with participatory and community-based research.

2. Community events and activities

During 2024 - 25 the CET was engaged in the regular events that form part of the annual calendar, including;

Supporting Childwall Community Choir at various University events, supporting the open garden event with Childwall in Bloom; Working with Childwall Abbey School and Liverpool City Council's SPLICE project to run creative summer camps



for young people; hosting a number of community conversations and consultation events; working with community members to 'Dance in Your Pants', fundraising for ovarian cancer; welcoming 80 people to the October Harvest Festival and Ceilidh; Christmas markets on campus; and community Christmas panto and choir concerts.

3. Partnerships

Strengthening links with partners not only supports our community driven goals, but has been an opportunity to showcase University facilities that

can serve organisations in the region. Key partnerships include ChildwALL Together, Liverpool City Council through a Neighbourhood Manager, as well as links with local councillors, strategic leads, targeted youth support service, Voluntary, Community and Statutory Partnerships across Merseyside – Schools, Colleges, Museums, Arts and Cultural Organisations.

Members of the University Council

The following persons served as governors during the year ended 31st July 2025 or were members as at 19th November 2025 when these financial statements were approved. In the case of those who became or ceased to be governors during the year, the appropriate dates are shown.

The governors are generally appointed for a period of three years. Each year they sign a register of interests. All the members of the Council are Trustees of the University and directors of the Company.

Mrs J Beever	<i>Chair from 1st August 2024</i>
Ms Lesley Martin-Wright	<i>Vice-Chair from 1st August 2024</i>
Mr Tim Alderman	
Mr Nicholas Dawe	
Dr Edwin Djabatey	
Revd Geoff Felton	
The Very Revered Dr Sue Jones	<i>(Resigned 31st July 2025)</i>
Fr C. McCoy	
Mr J Norbury	
Ms Deborah Shackleton	
Mrs M Swinson	<i>(Resigned 31st July 2025)</i>
Mr Steven Townley	
HH Judge Graham Wood QC	<i>(Resigned 21st July 2025)</i>
Ms Anne-Marie Costello	<i>(Resigned 7th September 2024)</i>
Ms Jemma Stevens	
Ms Eliza Mill	<i>(Joined 1st August 2025)</i>
Dr Penny Haughan	
Ms Paula Raper	
Dr Caroline Wakefield	<i>(Resigned 31st July 2025)</i>
Professor C Ozanne	<i>Vice Chancellor and Rector</i>
Ms Jill Boggan	
Mr Peter Waller-Flynn	
Revd Canon Professor Peter Neil	
Mrs Sarah Meir	

Vice-Chancellor Remuneration Committee

Mrs J Beever
Ms L Martin-Wright
Mr J Norbury
Mr S Townley

Senior Salaries Remuneration Committee

Mrs J Beever
Mr J Norbury
Mr S Townley
Ms. L Martin-Wright
Professor C Ozanne
(except for discussion of her own salary)

Finance & General Purposes Committee

Mr J Norbury (Chair)
Fr C. McCoy
Ms Jill Boggan
Mr N Dawe
Professor C Ozanne

Audit Committee

Mr Steven Townley (Chair)
Ms L Martin-Wright
Ms S Suchoparek – ex officio
Ms D Shackleton

Nominations Committee

Professor C Ozanne
Mrs J Beever (Chair)
Ms L Martin-Wright

Advisers

External Auditor:

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Bankers:

Lloyds Bank
Merchants Court
2-12 Lord Street
Liverpool
L2 XF

Santander
7th Floor
4 St Paul's Square
Liverpool
L3 9SJ

Barclays plc
48B & 50 Lord Street
Liverpool
L2 1TD

Internal Auditor:

RSM Risk Assurance Services LLP
14th Floor, 20 Chapel Street
Liverpool
L3 9AG
TIAA with effect from 1st August 2025

Statement of Council responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Council is responsible for preparing the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the Council (the members of which are the Directors of the University company for the purposes of company law) to prepare financial statements for each financial year.

Under that law it has elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

Under company law the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and of their income and expenditure, gains and losses and changes in reserves, and of the University's cash flows for that period. In preparing the University financial statements, the Council is required to:

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that its financial statements comply with the Companies Act 2006.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

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

- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

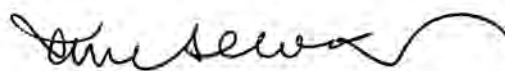
The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

While the following is not a specific recreation of the constitutional provisions within the Articles of Government, the principal responsibilities of Council, adopted in December 2005 and amended in May 2023, may be summarised as being:

1. To approve the educational character, mission and strategic vision of Liverpool Hope University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as Vice-Chancellor & Rector, for the academic, corporate, financial, estate and personnel management of the institution, and other responsibilities as detailed in the constitution, and keeping those functions under regular review.

3. 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.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
6. 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.
7. To safeguard the good name and values of Liverpool Hope University.
8. To appoint the head of the institution as Vice-Chancellor & Rector, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of Liverpool Hope University, to ensure that proper books of account are kept and resources used

- properly, effectively and efficiently, and to approve the annual budget and financial statements and have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all of the institution's legal obligations, including those arising from contracts and other legal commitments made in Liverpool Hope University's name.
 13. To make such provision as it thinks fit for the general welfare of students, in consultation with Senate, and for the operation of the Students' Union under a constitution approved by Council.
 14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of Liverpool Hope University.
 15. To ensure that Liverpool Hope University's constitution is followed at all times and that appropriate advice is available to enable this to happen.



Mrs Jane Beever

Director and Chair of Council
19th November 2025





Statement of Corporate Governance

This statement of corporate governance explicitly relates to the period 1st August 2024 – 31st July 2025, up to and including the date when the financial statements are approved.

The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education from the Committee of University Chairs in its Guide for Members of HE Governing Bodies in the UK. The University is committed to best practice in all aspects of corporate governance and conducts its business in line with the Office for Students (OfS) general ongoing conditions of registration. The University, through its arrangements for governance, is committed in a demonstrable way to the principles of academic freedom and equality of opportunity.

Liverpool Hope University is an incorporated body whose legal status is that of a company limited by guarantee, a registered charity and a University with taught and research awarding powers. Its objects, powers and framework of governance are set out in the articles of association which were approved by the Privy Council in 1996. The current version of the articles was approved by the Privy Council with effect from 20th

April 2005 and amended in 2023. The articles require Liverpool Hope University to have a governing body and a Senate, each with clearly defined functions and responsibilities to oversee and manage its activities.

The University Council is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members and the chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and the student body. No members of University Council receive any reimbursement for the work they do for that body.

Subject to the overall responsibility of the governing body, Senate has oversight of the academic affairs of Liverpool Hope University and draws its membership entirely from the staff and the students of the institution, save for 1 Network of Hope College Principal. It is particularly

concerned with general issues relating to the learning and teaching and research work of Liverpool Hope University.

The Chief Executive Officer (Vice Chancellor and Rector) is the head of Liverpool Hope University and has a general responsibility to the governing body for the organisation, direction and management of the institution. As Chief Executive, the head of the institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The University Senior Executive Team all contribute in various ways to these aspects of the work, working in close collaboration with the Vice Chancellor and University Council, which has ultimate responsibility for the University's strategic direction, education character and use of resources.

Members of University Council make an annual declaration of interests and further declare any interests in relation to matters under discussion at meetings. The University also makes an annual declaration on matters that confirm that they are "fit and proper" as defined under the Framework for the Office for Students.

University Council has adopted a Statement of Primary responsibilities reflecting sector guidance. This statement reflects the University Council's understanding of its responsibilities in relation to governance and internal control. In accordance with the articles of association, a secretary to the governing body has been appointed. The Clerk to Council, Head of Governance and the Solicitor & Senior Officer for Legal Services, Governance and Risk, provide independent advice on matters of governance to all members of University Council. Although the governing body meets four times per year, much of its detailed work is handled by committees, including Finance and General Purposes Committee, Audit Committee, Staffing Committee, Nominations Committee and a Remuneration Committee. The decisions of the Committees are formally reported

to the full University Council by the respective chairs.

Regularity and propriety in the use of public funding is delivered through the overarching governance structure described above. Public funding of research has an additional layer of governance provided through the Research Committee which reports to Senate. The research Committee considers research strategy, policy, funding and scholarly activity. The University governance structure described above facilitates a transparent, adequate and effective system of governance. The structures, policies and processes can be viewed at: <https://www.hope.ac.uk/aboutus/governance/#:~:text=The%20governing%20body%20of%20Liverpool,company%20directors%20and%20charity%20trustees.>

Audit Committee

The Audit Committee meets four times per year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports including recommendations, for the improvement of the University's systems of internal control, management responses and implementation plans. It also reviews and tracks the University's progress against these plans and monitors the risk register. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee is empowered to meet the External and Internal Auditors on their own for independent discussions.

The overall opinion within the Internal Audit Annual Report for 2024/25 is that the University has an 'adequate and effective framework for risk management, governance, internal control and economy efficiency and effectiveness'.

However, audit work has identified further enhancements to the framework of risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective.

The Audit Committee noted that one audit resulted in substantial assurance, three audits resulted in reasonable assurance, one resulted in partial assurance. Partial assurance was received in relation to the Data Governance Framework and urgent actions are underway to address the management actions included therein. Reasonable progress was achieved in relation to follow up actions from 23/24.

Finance and General Purposes

The Finance and General Purposes Committee meets three times per year and maintains an oversight of the University's financial and capital development strategies and the financial policy framework.

Staffing Committee

The Staffing Committee is responsible for supporting the strategic direction, performance measurement and service development of the human resource function within the University. It also has an oversight of compliance with equal opportunities and other employment law matters.

Remuneration Committee for University Senior Executive Team and Remuneration Committee for Vice Chancellor

The purpose is to determine and review the salaries, terms and conditions of the Head of the institution and such other members of staff as Council deems appropriate. These two Committees report annually to Council.

The Remuneration Committees aim to balance the safeguarding of public funds and the need to remain competitive by reference to the Committee of University Chairs HE Senior Staff Remuneration

Code. Remuneration decisions are linked to the context in which the University operates and are made with reference to similar institutions, the level of complexity of the role regardless of size, and the responsibilities of the post holder in comparison to the size of the senior team, and the number of years a senior post holder has successfully served in that role.

Performance objectives are agreed with all senior staff by their line manager. The Remuneration Committees base their decisions on the annual performance of the senior staff, taking into account external benchmarks and the particular financial circumstances of the University.

The Remuneration Committee for the University Senior Executive Team comprises the Pro-Chancellor, the Chair of Audit Committee, the Chair of the Finance and General Purposes Committee, the Deputy Chair of University Council and the Vice Chancellor. The Committee meets annually to set the salaries of the members of the senior team.

The remuneration package of the Vice Chancellor is set by the Remuneration Committee for the Vice-Chancellor, which comprises the Pro-Chancellor, the Chair of Audit Committee and the Chair of the Finance and General Purposes Committee. The Vice Chancellor does not attend this meeting. The performance of the Vice Chancellor is monitored and assessed by regular meetings with the Pro-Chancellor and progress against a range of key performance indicators by which Council monitors the overall performance of the University.

Nominations Committee

The purpose is to seek out and recommend new lay/independent co-opted members to the appointing body, taking account of the current skills mix of Council and the diversity of the current membership.



Statement of Internal Control

This statement of internal control explicitly relates to the period 1st August 2024 - 31st July 2025, up to and including the date when the financial statements are approved.

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

- Clear definitions of the responsibilities of, and the authority delegated to, members of the University Executive Board and other senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial performance involving variance reporting and updates of forecast outturns;

University Council has the responsibility for reviewing the effectiveness of the system of internal control. Consistent with the Risk Management Strategy approved, the following processes have been established:

- University Council meets four times a year to consider the plans and strategic direction of the institution.
- Periodic reports from the Chair of the Audit Committee concerning internal control are received together with regular reports from managers on the

steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.

- A report on discussions of risk at the Risk Management Oversight Group and then the University Executive Board is delivered to Audit Committee who provides oversight on risk.

The Audit Committee receives regular reports from the internal auditor, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.

- Both local and an organisation-wide risk registers are operational.
- Reports are received from budget holders and project managers on internal control activities.
- Policies such as the Code of Practice on Whistleblowing, Declarations of Interest, Financial and other Irregularities, including Fraud Policy and an Anti-Bribery Policy have been periodically reviewed and revised.

Control Weaknesses Identified

The annual review of the Internal Auditors indicated that the organisation has an adequate and effective framework for risk management, governance and internal control and economy, efficiency and effectiveness. However, our work has identified further enhancements to the framework of risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective. Weaknesses in the Data Governance Framework are being actively addressed.

Role of the External Auditor

The University external auditors perform an interim audit mid-year to review control procedures prior to year-end substantive testing. Throughout the year, communication between the University and external auditors is critical to obtain reasonable assurance the University's financial information is free from material misstatement, fraud and errors.

Role of the Internal Auditor

The University's internal auditors continue to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. Both Internal and External auditors are in attendance at the Audit Committee, they have to present their detailed plan for the forthcoming year. These plans are prepared in accordance with University requirements, regulatory requirements, accounting standards and direction of funding bodies.

Independent Auditor's Report to the Council of Liverpool Hope University

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Liverpool Hope University ("the University") for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and related notes, including the Statement of Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the University's affairs as at 31 July 2025, and of the the University's income and expenditure, gains and losses and changes in reserves, and of the University'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*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 University in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the Council's conclusions, we considered the inherent risks to the University's business model and analysed how those risks might affect the 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; and
- 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 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 University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Council, the Audit Committee and inspection of policy documentation as to the University's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the University's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit Committee and Finance and General Purposes Committee minutes.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fees are generally based on standard fee rates and are non-variable in nature. We do not believe there to be an incentive or pressure to manipulate this or other income streams that are material as amounts received either typically relate to a single specific financial year or the source transactions are non-complex, involving little judgement.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and, where relevant, other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to cash with unexpected or unusual entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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 University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and related higher education legislation), taxation legislation and pensions 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 University 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. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students, recognising the nature of the University's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material

misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud 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 Strategic Report, Director's Report, Statement of Corporate Governance and Statement of Internal Control. 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;
- in our opinion the information given in the Strategic Report and Director's Report which together constitute the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent University, or returns adequate for our audit have not been received from branches not visited by us; or
- the University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

We have nothing to report in these respects.

Council responsibilities

As explained more fully in its statement set out on page [X], the Council (the members of which are the Directors of the University for the purposes of company law) 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 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 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 University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the University's expenditure on access and participation activities for the financial year disclosed in note 10 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 University's grant and fee income, as disclosed in note 6 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

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

This report is made solely to the Council in accordance with Chapter 3 of Part

16 of the Companies Act 2006 and paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the 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.

Debra Chamberlain (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 St Peter's Square, Manchester, M2 3AE



Statement of Principal Accounting Policies

1. Basis of preparation

The University is a company limited by guarantee, and was incorporated on 26 November 1996. Under the terms of the Memorandum and Articles of Association, the members of the University Governing Council have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education (2019 edition), the Charities SORP (2019) and the Companies Act where appropriate. 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 during the transition period to 31 July 2019, 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 therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The fixed assets were valued at 31st July 2014, the University chose to freeze the valuation at that date and use the deemed cost going forward in accordance with FRS 102. Capital grants are accounted for using the performance model as opposed to the accruals model. A requirement for holiday pay involves an accrual for unused annual leave as an expense. Pension fund changes relate to interest computations and the inclusion of the USS scheme.

2. Going Concern

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

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

The University have prepared a cash flow forecast for a period up to July 2026. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period.

The University has prepared a financial model and cash flow forecasts for a period up to July 2027 which takes account of severe but plausible scenarios. After reviewing the assumptions underpinning these forecasts, the Council is of the opinion that the University will have sufficient funds to meet their liabilities as they fall due, over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic but not unrealistic assumptions to demonstrate going concern, reduction in recruitment, inflationary increases in relation to staffing and general inflation and Utility costs. Even on this basis, liquidity levels are forecast to remain strong despite funding the committed capital programme from cash reserves.

Consequently, the Council is confident that the 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.

3. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the deemed cost of certain fixed assets.

4. Basis of consolidation

The financial statements include the University only as there are no trading subsidiaries in existence.

The financial statements do not include those of Liverpool Hope Students' Union as it is a separate organisation in which the University has no control or significant influence over policy decisions.

5. Format of the accounts

The directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

6. Recognition of income

The recurrent grants from the Office for Students (OfS) and Engineering and Physical Sciences Research Council (EPSRC) represent the funding allocation which is attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Grants intended to support the acquisition of tangible fixed assets are credited to the statement of comprehensive income when the University becomes entitled to them, subject to any performance related conditions being met.

Tuition fees represent student fees received and receivable attributable to the current accounting period.

Income to which the University is entitled from research grants and contracts is released to the statement of comprehensive income in proportion to the degree of completion of the associated activity, with reference to expenditure. The University uses the accruals method of accounting for research grants and contracts.

The University acts as an agent in the payment of training bursaries from the Department of Education. Related payments received and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in note 19.

7. Retirement benefits

The University operates a defined benefit scheme for staff, the Enhanced Pension Provision (EPP). The scheme is a defined benefit scheme which is externally funded

and contracted out of the State Second Pension (S2P).

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 Statement of Comprehensive Income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and have maturity dates approximating to the terms of the University obligations. When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes account of the adverse effect of any minimum funding requirements.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University members due to the nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees.

The principal schemes for the University's staff are the Teacher's Pension Scheme (TPS) for academic and related staff, and the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF) for non-academic staff. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the scheme are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employee's working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries.

IFRIC 14: limit on Defined Benefit Asset

The standard limits the measurement of the defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or a reduction in future contributions to the plan.

For both LGPS schemes the University has set a limit of 50 employees to determine the long-term viability of the scheme. If the scheme falls below 50 members we recognise a 'short term' approach and calculate the present value of future projected service costs over the term determined by the difference between the average employee age and the normal retirement age. If the scheme remains above 50 members we recognise a 'perpetuity' approach and calculate the projected service costs in perpetuity.

Merseyside Pension Fund

The pension scheme was closed during the year and members transferred to Greater Manchester Pension Fund. The impact of the closure created a debtor of £1.6 million which is included as a pension debtor.

Greater Manchester Pension Fund

GMPF is the preferred pension fund for Professional Services staff, new employees joining the University pension fund are automatically included within GMPF. The actuary report confirms the active members in the fund is 350 (at 31st March 2022), the University calculates 349 active members at the end of July 2024 which demonstrates continuing membership. For calculation purposes we have assumed this fund will continue in perpetuity.

economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The calculation of the cost of early retirement provisions charged to the statement of comprehensive income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 2.5% in excess of price inflation.

An amount is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. (See note 23).

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense during the year in which the employees render service to the organisation. Any unused benefit is accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Maintenance of premises

The cost of routine corrective maintenance is charged to the Statement of Comprehensive Income as incurred.

10. Operating Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income as incurred on a straight-line basis over the lease term.

11. Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of

12. Fixed assets

In 1980 the two former colleges, St. Katharine's and Christ's and Notre Dame, entered into a Deed of Adherence with the Liverpool Institute of Higher Education under which they provided their respective properties to the Institute. These were superseded in 1998 by similar Deeds of Arrangement of Membership with Liverpool Hope.

St. Katharine's College (Warrington Training College Incorporated), was granted a 99 year lease in 1963 from the Central Board of Finance of the Church of England for the properties provided to the Institute under the Deed of Adherence. The lease is renewable upon request for a second and final 99 years from 2062.

Christ's and Notre Dame College property is owned by the Trustees of Christ's and Notre Dame College. Under the Deed of Adherence, the property of the College was made available for the use of the Institute. These buildings have been included on the Statement of Financial Position since 2004/05 to reflect the fact

that the University carries the majority of the benefits and liabilities of the buildings.

Under the terms of the Deed of Adherence, neither College shall withdraw from Liverpool Hope without the agreement of the remaining College and the consent of the Secretary of State for Education.

Subject to the appropriate agreements, written notice must be given at least five years prior to any withdrawal and, in the first instance, may only be given to expire no earlier than 31st August 2024.

Within the Trust Deed and the Deeds of Adherence between the Colleges and the Institute, those elements of the tangible fixed assets which are additions and/or improvements to buildings also become the property of the respective College Trustees.

Fixed assets land and buildings were subject to a full revaluation as at 31st July 2014 under a policy of periodic reappraisal at least every five years. The revaluation was undertaken by Eddisons, a firm of chartered surveyors and the basis of valuation has varied depending upon the nature of the property. The majority of properties were valued on a depreciated replacement cost basis, others such as St Michaels & St Julies at Aigburth and Gerard Manley Hopkins at Everton at market value. The accounting policy hitherto had been to revalue all land and buildings within a class of revalued assets.

The revaluation carried out as at 31st July 2014 will serve henceforth as deemed cost in accordance with the SORP and no further revaluations will be taking place.

Where buildings are acquired with the aid of specific grants the assets are capitalised and depreciated on the basis shown below. The related grants are treated as income and released to the statement of comprehensive income within the year in which the grant is received.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. During the year demolition of the Security Lodge is considered an indication of impairment and an accelerated depreciation charge will be included. An annual impairment review is also carried out annually across the Estate.

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

Building refurbishment works are capitalised subject to a minimum threshold of £20,000 per refurbishment project. Such costs are not depreciated until the works are completed. Costs of refurbishment projects costing less than £20,000 are written off to the Statement of Comprehensive Income in the period in which they are incurred.

Equipment costing less than £10,000 per individual item or group of related items constituting a single suite of equipment is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost. All assets are depreciated over their useful economic lives as follows, and a full year's depreciation is charged in the year of acquisition or transfer:

Land & Buildings

Buildings existing at 31st July 2014
(As estimated)*

New buildings	50 years
Building refurbishments (greater than £20,000)	10-30 years

Vehicles

Motor vehicles	5 years

Equipment

Computer equipment	5 years
Furniture & fittings	10 years

*As part of the revaluation carried out on 31st July 2014, the estimated useful lives of the existing buildings were reassessed in consultation with the firm of chartered surveyors who had carried out the revaluation. Estimates varied from building to building, ranging from a minimum of 10 years to a maximum of 60 years.

13. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 exclusively for charitable purposes. Subsidiary companies are liable for corporation tax for charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged as inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

14. Bursaries and Scholarships

The University provides bursaries and scholarships to students from its own revenue funds. These bursaries and scholarships are shown in the Statement of Comprehensive Income, as expenditure, and not deducted from income.

The University also distributes bursaries on behalf of the Department of Education in relation to Teacher Training. The University only acts as agent and has no interest in these funds. As such, these transactions are not recognised in the Statement of Comprehensive Income.

15. Cash Flows, Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash Equivalents are short term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the University's Treasury Management activities and policies.

16. Finance Leases

Fixed assets held under hire purchase agreements and the related hire purchase obligations are recorded in the balance sheet and these assets are depreciated over their useful life. As at 31st July 2025 the University held no such assets.

17. Accounting Estimates and Judgements

Preparation of financial statements requires management to make estimates, judgement and assumptions that affect the application of accounting policies and

reported amounts of assets and liabilities, income and expenses. These estimates and judgements are continually evaluated and are based on professional advice, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Impairments: Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Recoverability of Debtors: The provision for bad debts is based on our estimate on the expected recovery of the debt. Assumptions are made based on the level of debtors who have defaulted historically.

Pensions: The University operates 3 defined benefit pension schemes, the Teacher's Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF). The present value of the University obligations is dependent on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet. This does not include an obligation to make contributions to fund past deficit payments.

position. The University has adopted to apply the provisions of both Section 11 and Section 12 of FRS102 in full.

18. Financial Instruments

The University's principal financial instruments are cash, investments and loans. The core objective of these instruments is to meet the financing needs of the University's operations. The fair value of each category of University's financial instruments are the same as their carrying value in the statement of financial

Statement of Comprehensive Income

Year ended 31st July 2025

	Note	2025 £	2024 £
Income			
Funding council grants	1	4,235,588	3,834,004
Tuition fees and short course fees	2	43,345,849	43,618,052
Research grants and contracts	3	306,462	195,221
Other operating income	4	7,171,203	7,447,256
Investment income	5	1,796,208	1,854,155
Total Income		56,855,310	56,948,688
Expenditure			
Staff costs	7	37,300,433	36,468,544
Other operating expenses	8	15,453,170	15,893,559
Depreciation	12	4,996,692	5,033,384
Interest and other finance costs	9	157,113	177,274
Total expenditure	11	57,907,408	57,572,761
Operating (deficit)/surplus		(1,052,098)	(624,073)
Actuarial gain in respect of pension scheme		13,145,041	5,091,294
Total comprehensive income for the year		12,092,943	4,467,221
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		12,092,943	4,467,221

Statement of Changes in Reserves

Year ended 31st July 2025

	Unrestricted Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 1 August 2024	141,757,519	28,680,379	170,437,897
Operating deficit	(1,052,098)	-	(1,052,098)
Actuarial gain in respect of pension scheme	13,145,041	-	13,145,041
Transfers	695,193	(695,193)	-
Balance at 31 July 2025	154,545,655	27,985,186	182,530,840

Statement of Changes in Reserves

Year ended 31st July 2024

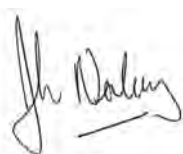
	Unrestricted Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 1 August 2023	136,406,938	29,563,739	165,970,677
Operating surplus	(624,073)	-	(624,073)
Actuarial gain in respect of pension scheme	5,091,294	-	5,091,294
Transfers	883,360	(883,360)	-
Balance at 31 July 2024	141,757,519	28,680,379	170,437,897

Statement of Financial Position

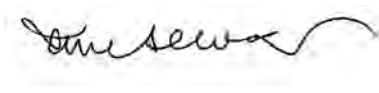
Year ended 31st July 2025

	Note	2025 £	2024 £
Non-current assets			
Tangible assets	12	134,524,806	137,147,225
Pension asset	24	32,380,000	19,643,000
		166,904,806	156,790,225
Current assets			
Debtors	13	3,178,931	2,066,062
Debtor Pension asset		1,649,164	-
Cash at bank and in hand Investments	14	11,634,403 8,500,000	12,154,694 9,500,000
		24,962,498	23,720,755
Creditors: amounts falling due within one year	15	(7,222,081)	(7,543,572)
Net current assets		17,740,417	16,177,183
Total assets less current liabilities		184,645,223	172,967,408
Creditors: amounts falling due after more than one year	16	(2,078,333)	(2,472,711)
Provisions for liabilities and charges	22	(36,050)	(56,800)
Total net assets		182,530,840	170,437,897
Unrestricted Reserves:			
Income and expenditure reserve		154,545,655	141,757,519
Revaluation reserve		27,985,185	28,680,378
Total funds		182,530,840	170,437,897

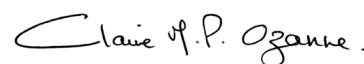
The financial statements on pages 58 to 86 were approved by the University Council on 19th November 2025, and signed on its behalf by:



Mr J Norbury
Chair of Finance & General
Purposes Committee



Mrs J Beever
Chair of University Council



Professor C Ozanne
Rector & Vice Chancellor

Statement of Cash Flows

Year ended 31st July 2025

	2025	2024
	£	£
Cash flow from operating activities		
(Deficit)/Surplus for the year	(1,052,098)	(624,073)
Adjustment for non-cash items		
Depreciation	4,996,692	5,033,384
Investment income	(1,796,208)	(1,854,155)
Interest payable	157,113	177,274
(Increase)/Decrease in Debtors	(1,112,869)	(1,331)
Increase/(Decrease) in Creditors	(343,194)	(2,550,092)
Increase/(Decrease) in Provisions	(10,435)	(11,597)
Pension costs	(258,000)	298,000
Adjustment for investing or financing activities		
Capital grants utilised in year	-	(441,068)
Net cash inflow from operating activities	581,001	26,342
Cash flows from investing activities		
Capital grants received	-	441,068
Payments to acquire fixed assets	(2,374,273)	(8,461,505)
Disposal of Pension Asset	1,669,000	-
Proceeds from Disposal of Pension Asset	(1,649,164)	-
Withdrawal/ (New) Deposits	1,000,000	500,000
	(1,354,437)	(7,520,437)
Cash flows from financing activities		
Other interest received	780,208	1,075,287
Interest paid	(154,387)	(174,401)
Repayments of borrowed amounts	(372,676)	(352,662)
	253,145	548,224
(Decrease)/Increase in cash	(520,291)	(6,945,873)

Notes (forming part of the financial statements)

1. Funding council grants

	2025	2024
	£	£
Recurrent Grant – OfS	1,972,194	1,500,210
Specific		
Engineering and Physical Sciences Research Council - EPSRC	1,439,854	1,447,246
Higher Education Innovation Fund	449,598	499,485
OfS Hardship Fund	-	-
EPSRC Special initiatives	170,000	322,349
ITT Accreditation	168,024	32,514
Capital Grants	35,918	32,200
	4,235,588	3,834,004

2. Tuition fees and short course fees

	2025	2024
	£	£
Full-time students	37,837,787	38,860,684
Full-time students charged overseas fees	2,628,376	2,389,852
Part-time students	723,801	546,349
Total fees paid by or on behalf of individual students	41,189,964	41,796,885
Short course fees	2,155,885	1,821,168
Total	43,345,849	43,618,052

3. Research grants and contracts

	2025	2024
	£	£
Research councils	15,622	14,468
Research charities	67,991	63,909
Industry and commerce	145,376	34,744
Other	77,473	82,100
Total	306,462	195,221

4. Other operating income

	2025	2024
	£	£
Residences, catering and conferences	6,426,203	6,164,868
Other income	745,000	735,704
Capital Grants – (Salix)	0	546,684
	7,171,203	7,447,256

Note: Salix grants: 2023/24 £441,068 Capital, £106,616 Revenue. 2022/23 £85,000 Capital.

5. Investment income

	2025	2024
	£	£
Interest receivable	1,796,208	1,854,155

6. Grant and fee income

	2025	2024
	£	£
Grant income from the OfS	1,972,194	1,500,210
Grant income from other bodies	2,263,394	2,333,794
Fee income for taught awards (exclusive of VAT)	41,312,621	42,029,775
Fee income for research awards (exclusive of VAT)	346,694	298,877
Total	45,894,903	46,162,656

Note: excludes research grants and contracts as they are shown separately in Note 3

7. Staff costs (including directors' emoluments)

	2025	2024
	£	£
Wages and salaries	28,273,212	27,729,629
Social security costs	3,187,466	2,840,898
Other pension costs	6,215,440	5,751,325
FRS102 staff pension adjustments	(375,685)	146,692
Total	37,300,433	36,468,544

The average numbers of staff employed by the University (FTE)

	2025	2024
	Number FTE	Number FTE
Academic	294	309
Administrative and technical	250	231
Manual and ancillary	100	102
Total	644	642

Emoluments of the Vice-chancellor & Rector

	24/25	23/24
	Prof Claire Ozanne	Prof Claire Ozanne
	£	£
Salary	250,000	250,000
Pension	71,700	63,367
Total	321,700	313,367

The emoluments of the Vice-chancellor & Rector are shown on the same basis as for higher paid staff (excluding employer's social security contributions). The University's pension contributions to the Teachers' Pension Scheme are paid on behalf of the Vice-Chancellor & Rector at the same rate as for other academic staff (28.68%).

The median salary has been calculated in accordance with the guidance provided by the OfS, determining the full-year, full-time equivalent for each worker employed during the year and ranking them from high to low. In the absence of specific guidance for determining the mid-point value within this list, the University has chosen to do so by making a cumulative

total of the full-time equivalent fraction (FTE) for each worker and then finding the midpoint of that cumulative total, thus taking full account of the relative statistical significance of individual workers according to their FTEs.

All payments to Directors are in respect of services as members of staff and relate to the period of office. Where appropriate these emoluments are also included in the bands for higher paid staff.

Professor Claire Ozanne

Basic Salary Ratio (Based on a median pay rate of £41,088): 6.08 times (2024: £39,347: 6.35 times)

Total Remuneration Ratio (Based on a median pay rate of £50,454): 6.38 times
2024: £49,320: 6.35 times)

The number of the staff, including senior post-holders and the Vice Chancellor & Rector, who received remuneration excluding employer pension contributions in the following ranges was:

	2025 Number	2024 Number
£100,000 - £104,999	-	3
£105,000 - £109,999	3	-
£110,000 - £114,999	1	2
£115,000 - £119,999	1	-
£135,000 - £139,999	1	1
£150,000 - £154,999	1	1
£250,000 - £254,999	1	1
	8	8

Key Management Personnel

2025 £	2024 £
1,084,623	1,071,838

While administration of the University is controlled and managed by the University Council, the day to day operations are conducted by the University Senior Executive Team, the Academic Leadership Team and the Operational Leadership Team. The figure disclosed comprises total gross salaries of the University Senior Executive Team excluding employer's pension and national insurance contributions.

Severance Payments - Payments were made to 15 individual members of staff equating to £408,390.

8. Other operating expenses

	2025 £	2024 £
Residences, catering and conference operating expenses	659,385	710,251
Teaching departments	2,869,365	2,566,356
Books and periodicals	671,773	582,702
Heat, light, water and power	2,184,058	2,900,495
Repairs and general maintenance	1,866,099	1,743,975
Grants to Liverpool Hope Students' Union	286,650	273,000
External auditors' remuneration	155,200	157,760
Other support services	612,239	596,688
Administration and central services	4,198,947	4,393,558
Other income generating activities	306,128	340,097
Other operating expenses	1,643,029	1,628,595
Reimbursement of Trustees' expenses	298	82
	<u>15,453,170</u>	<u>15,893,559</u>

In 2024/25 the Trustees' expenses related to travel amounted to £298 (2023/24 - £82).

	2025 £	2024 £
External auditor's remuneration in respect of audit services	137,000	120,000
Audit related assurance services	18,200	37,760
	<u>155,200</u>	<u>157,760</u>

9. Interest and other finance costs

	2025	2024
	£	£
Interest payable on bank loans not wholly repayable within five years	154,387	174,401
Pension fund interest payable	2,726	2,873
	157,113	177,274

10. Access and Participation

	2025	2024
	£	£
Access Investment	656,892	559,227
Financial Support	232,734	216,283
Disability Support	655,835	634,921
Research and Evaluation	-	-
	1,545,461	1,410,431

As a small institution, the access and participation activities are embedded within the operations of the University and cannot be easily identified as stand-alone costs for the target student population. For some of the categories of expenditure these are subjective in nature. Therefore, the total costs are used and then a percentage of these costs shown as countable expenditure: 61% for Access Investment as this is the average percentage of our students who fall into the APP countable category, Financial Support includes 65% of Learning Support

Fund plus an uplift of 25% on staff costs for overheads, Disability Support cost is uplifted by 25% for overheads.

£869,157 of these costs relates to staff costs and have already been included in the overall staff expenditure figure in note 7.

https://www.hope.ac.uk/media/aboutus/governancedocuments/LiverpoolHopeUniversity_APP_2020-21_V1_10003956%20submitted%2002-02-21.pdf

11. Analysis of expenditure

	Staff costs	Depreciation	Interest payable	Other operating expenses	Total
	£	£	£	£	£
Academic departments	23,628,436	-	-	2,869,365	26,497,801
Academic support services	2,155,391	-	-	1,762,945	3,918,336
Other support services	1,697,719	-	-	898,889	2,596,608
Administration and central services	5,116,621	-	-	4,354,445	9,471,066
General education expenditure	-	-	-	56,919	56,919
Premises	3,349,783	-	-	4,545,095	7,894,878
Other income generating activities	403,129	-	-	306,128	709,257
Residences, catering and conferences	1,325,039	-	-	659,385	1,984,424
Depreciation	-	4,996,692	-	-	4,996,692
Interest payable	-	-	157,113	-	157,113
FRS 102 pension costs adjustment	(375,685)	-	-	-	(375,685)
Total per statement of comprehensive income	37,300,433	4,996,692	157,113	15,453,171	57,907,409

12. Fixed Assets

	Assets in the course of construction	Land and Buildings	Equipment	Vehicles	Total
	£	£	£	£	£
Deemed cost					
At 1 August 2024	1,795,352	166,394,410	14,343,220	183,170	182,716,152
Additions at cost	1,558,233	355,686	460,354	-	2,374,273
Transfers	(2,329,104)	2,329,104	-	-	-
At 31 July 2025	1,024,481	169,079,200	14,803,575	183,170	185,090,426
Depreciation					
At 1 August 2024	-	34,862,707	10,588,067	118,154	45,568,928
Charge for the year	-	4,109,488	866,479	20,725	4,996,692
At 31 July 2025	-	38,972,195	11,454,546	138,879	50,565,620
Net book value					
At 31 July 2024	1,795,352	131,531,703	3,755,153	65,017	137,147,225
At 31 July 2025	1,024,481	130,107,005	3,349,029	44,291	134,524,806

Fixed assets include £8,921,000 in relation to land. The land has not been depreciated in the accounts.

13. Debtors

	2025 £	2024 £
Amounts falling due within one year		
Trade debtors	2,119,943	1,123,273
Sundry debtors	26,398	35,728
Pension debtors	1,649,164	-
Prepayments and accrued income	1,032,590	907,060
	<u>4,828,095</u>	<u>2,066,061</u>

The pension debtor relates to the cessation of the Merseyside Pension Fund , this was received in September 2025.

14. Investments

	2025 £	2024 £
Deposits maturing in one year or less	8,500,000	9,500,000

Two fixed term deposits with Santander for £5,000,000 and £3,500,000.

15. Creditors: amounts falling due within one year

	2025 £	2024 £
Loans	394,378	372,676
Trade creditors	741,542	1,236,058
Social security and other taxation payable	1,467,390	1,387,461
Accruals and deferred income	4,618,771	4,547,377
	<u>7,222,081</u>	<u>7,543,572</u>

16. Creditors: amounts falling due after more than one year

	2025 £	2024 £
Loans secured on residential and other property repayable by 2030	2,078,333	2,472,711
	<u>2,078,333</u>	<u>2,472,711</u>
Analysis of secured and unsecured loans:	2025 £	2024 £
Due within one year or on demand (Note 15)	394,378	372,676
Due between one and two years	417,300	394,378
Due between two and five years	1,403,091	1,325,729
Due in five years or more	257,942	752,604
	<u>2,078,333</u>	<u>2,472,711</u>
Debt due after more than one year	2,078,333	2,472,711
	<u>2,078,333</u>	<u>2,472,711</u>
Total secured and unsecured loans	2,472,711	2,845,387
	<u>2,472,711</u>	<u>2,845,387</u>

Interest/terms on loans:

	Original Value £	Interest rate %	Basis	Number of years remaining
Student accommodation	8,300,000	5.72 1.10	£7m Fixed £1.3m Variable	6

The loan relates to student accommodation and is secured on the relevant asset of the University. The loan will be repaid by instalments over the period of the loan.

17. Reconciliation of cash flow to Statement of Financial Position

	2024 £	Cash flows £	2025 £
Cash at bank	12,154,694	(520,291)	11,634,403
	<u>12,154,694</u>	<u>(520,291)</u>	<u>11,634,403</u>

18. Capital and other commitments

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

	2025 £	2024 £
Capital commitments	1,399,385	1,104,725

19. Training bursary payments

	2025 £	2024 £
Grant paid by Department of Education (DfE)	2,453,300	2,150,600
Payments to trainees	(2,424,400)	(2,136,600)
Grant due to/(from) DfE at end of year	(28,900)	14,000

During the year the University administered the Training Bursary Scheme for PGCE students. The University acts only as paying

agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

20. Related party disclosures

Due to the nature of the University's operations and the composition of the University 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 Board may have an interest. All transactions involving organisations in which a member of the board of governors may have an

interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Council members declare their interests and the University updates the register of interests annually.

Included in the financial statements are the following transactions with related parties:

	Income £	Expenditure £
Mr Tim Alderman Governor, St Edward's College Edmund Rice Academy Trust	-	14,220
Fr Christopher McCoy Governor, Holy Spirit Primary School	-	3,192
Dr Penny Haughan Chair of Governors, Locking Stumps Community Primary School	15,778	-

The nature of expenditure transactions relates to payments to schools on behalf of students all payments were made during the

financial year 2024/25 and there were no debtors or creditors at the year end.

21. Connected Charitable Institutions

The University is connected to one charitable institution, Liverpool Hope Carter Preston Foundation which was set up in its current state in April 2012. The University appoints two of the trustees. The Foundation has minimal income and expenditure related to its investments and administration.

The net book value of Heritage assets on the Statement of Financial Position were £305,270 and the Foundation had £28,834 in its current account and an investment of £499,750 in stocks and shares as at 31 July 2025.

22. Provisions for liabilities and charges

	Pension enhancement on termination £
At 1st August 2024	56,800
Movement in year	(10,435)
Interest cost	2,726
Actuarial gain	(13,041)
	36,050

23. Pension and similar obligations

The University's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Greater Manchester Pension Fund (GMPF).

The Merseyside Pension Fund (MPF) for non-academic staff was crystallised on 31st May 2025. The total pension cost for the period was £6,343,560 (2024: £5,751,325).

	2025 £	2024 £
As at 1 August	(19,643,000)	(15,112,000)
(Decrease)/Increase in liability	(12,737,000)	(4,531,000)
As at 31st July	(32,380,000)	(19,643,000)
The University's pension (asset)/ liability is analysed as follows:	£	£
Greater Manchester Pension Fund	(32,380,000)	(19,281,000)
Merseyside Pension Fund	-	(362,000)
	(32,380,000)	(19,643,000)

Accounting Surplus

LGPS surplus can only be recognised to the limit of the present value of the projected future service rates. The GMPF surplus of £32,380 can be fully recognised as the present value of projected services costs is greater than the surplus, the fund is open to new members and is therefore valued in perpetuity. The MPF actuary, Mercer, provided a termination report and exit determination notice, issued in accordance with Regulation 64 of the Local Government Pension Scheme Regulations 2013, specifically paragraphs 22AB and 22C and the fund policy set out in the Funding Strategy Statement.

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 26 October 2023. The key results of the valuation are:

- employer contribution rates were set at 28.6% of pensionable pay;
- total scheme liabilities for service to the effective date of £262.0 billion, and notional assets of £222.0 billion, giving a notional past service deficit of £39.8 billion
- an employer cost cap of 10.9% of pensionable pay.

The employer contribution rate for the TPS was implemented in April 2024.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

TPS 31 March 2020 Actuarial Valuation Report

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2024.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive

when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2024.

The pension costs paid to TPS in the year amounted to £3,868,578 (2024: 3,506,527).

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded defined benefit scheme, with the assets held in a separate trustee administered fund.

The total contribution made for the year ended 31 July 2025 was £2,790,000 of which employer's contributions totalled £2,093,000 and employee's contributions totalled £697,000. The agreed contribution rates for future years are 19.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The CPI assumption has been adjusted to recognise the impact of the 2024 PI Order and its medium and long term effects on discount rates and inflation. The CPI assumption has been updated to make allowance for inflation experience since October 2023 being higher than assumed. This adjustment has resulted in the CPI assumption being 0.5% p.a. lower at short durations (less than 17 years), and no change at medium durations (between 17 and 23 years) and at long durations (more than 23 years), compared to the assumption that would have been derived using the methodology adopted at 31 July 2022.

The following information is based upon a full actuarial valuation of the fund as 31 March 2022 updated to 31 July 2025 by a qualified independent actuary.

	2025	2024	2023
Rate of increase in salaries	3.55%	3.55%	3.80%
Rate of increase in pensions in payment/inflation	2.75%	2.75%	3.00%
Discount rate for liabilities	5.80%	5.00%	5.05%
Commutation of pension to lump sums	50.00%	50.00%	50.00%

The mortality assumptions as at 31 July 2025 include sufficient allowance for future improvements in mortality rates in line with the latest Continuous Mortality Investigation

(CMI) The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the latest triennial valuation.

	At 31 July 2025	At 31 July 2024	At 31 July 2023
Retiring today			
Males	20.40	20.20	20.20
Females	23.70	23.70	23.70
Retiring in 20 years			
Males	21.30	21.10	21.20
Females	24.70	24.70	24.70

The sensitivities regarding the principal assumptions used to measure the scheme obligations are:

Change in assumptions at 31 July 2025	Approximate% Increase to DBO	Approximate monetary amount
		£000
0.1% decrease in Real Discount Rate	2%	1,076
1 year increase in member life expectancy	4%	2,187
0.1% increase in the Salary Increase Rate	0%	62
0.1% increase in the Pension Increase Rate (CPI)	2%	1,043

The University's share of assets in the scheme (which is estimated at less than 1% of total scheme assets) and the estimated rates of

return (are based on actual returns to 30th June 2025 and adjusted to calculate the estimated returns as at 31st July 2025) were:

	Value at 31 July 25	Value at 31 July 24	Value at 31 July 23
	£000	£000	£000
Equities	56,583	54,777	50,886
Bonds	14,799	11,908	10,034
Property	7,835	6,351	5,734
Cash	7,835	6,351	5,017
Share of total market value of assets	87,052	79,387	71,671
Present value of scheme liabilities			
- Funded	(54,651)	(60,085)	(56,868)
- Unfunded	(20)	(21)	(22)
Surplus/(Deficit) in the scheme	32,381	19,281	14,781

Analysis of the amount charged to the Statement of Comprehensive Income

	2025	2024	2023
	£000	£000	£000
Current service cost	(1,817)	(1,847)	(2,807)
Past service cost (including curtailments)	0	(394)	(12)
Total service cost	(1,817)	(2,241)	(2,819)

Analysis of pension finance income

	2025	2024	2023
	£000	£000	£000
Interest income on plan assets	3,992	3,641	2,495
Interest cost on defined benefit obligation	(3,022)	(2,901)	(2,423)
Total net interest	970	740	72
Total defined benefit recognised in the statement of comprehensive income	(847)	(1,501)	(2,747)

Movement in deficit during year

	2025	2024
	£000	£'000
Surplus/(Deficit) in scheme	£19,281	14,781
Movement in year:		
Current service charge	(1,817)	(1,847)
Past service charge (including curtailments)	0	(394)
Net interest / return on assets	970	740
Contributions	2,093	1,986
Remeasurements recognised in the Statement of Comprehensive income	11,853	4,015
Surplus/(Deficit) in scheme at end of year	32,380	19,281

History of experience gains or losses

	2025 £	2024 £	2023 £	2022 £	2021 £
Return on assets excluding amounts included in net interest	2,646	3,204	(2,699)	4,134	9,903
Value of Assets	87,051	79,387	71,671	70,812	64,700
% of scheme assets	3.04%	4.04%	(3.77%)	5.84%	15.31%
Experience gains and losses on scheme liabilities	(9,207)	(811)	(15,796)	(33,430)	9,266
Total present value of liabilities	(54,671)	(60,106)	(56,890)	(68,292)	(95,888)
% of Total present value of scheme liabilities	16.84%	1.35%	27.77%	48.95%	(9.66%)
Actuarial gain/(loss) recognised in statement of comprehensive income	11,853	4,015	13,097	37,564	637
% of the present value of liabilities	(21.68%)	(6.68%)	(23.02%)	(55.00%)	(0.66%)

Merseyside Pension Fund (MPF)

The MPF was a funded defined benefit scheme, with the assets held in separate trustee administered funds. The fund was crystallised on 31st May 2025, membership was ceased at this date. The total contribution made for the year ended 31 May 2025 was £133,000 of which employer's contributions totalled £118,000, £151,000 of this was offset by deficit contributions

credits and employees' contributions totalled £13,000.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

The mortality assumptions as at 31 July 2024 include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 this is mainly because there remains uncertainty of the Covid-19 impact on long term mortality rates for pension scheme

members. This will be monitored in future periods and will be updated as appropriate. The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the latest triennial valuation.

	At 31 July 2024	At 31 July 2023
Retiring today		
Males	20.80	20.80
Females	23.40	23.30
Retiring in 20 years		
Males	22.00	22.10
Females	25.10	25.10

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the estimated rates of return (are

based on actual returns to 30th June 2024 and adjusted to calculate the estimated returns as at 31st July 2024) were:

	Value at 31 July 24	Value at 31 July 23
	£000	£000
Equities	2,713	2,980
Bonds – government	1,155	865
Bonds – other	396	269
Property	574	688
Cash & other	1,762	1,749
IFRIC14 surplus adjustment	(745)	(859)
Total market value of assets	5,855	5,692
Present value of scheme liabilities		
- Funded	(5,490)	(5,356)
- Unfunded	(3)	(5)
	362	331

Analysis of the amount charged to the Statement of Comprehensive Income

	2024	2023
	£000	£000
Employer service cost (net of employee contributions)	(44)	(66)
Past service cost	0	0
Total operating credit/(charge)	(44)	(66)

Analysis of pension finance income/(costs)

	2024	2023
	£000	£000
Interest on plan assets	337	273
Interest on pension scheme liabilities	(274)	(230)
Pension finance costs	63	43
	2024	2023
	£000	£000
Actual return on plan assets	87	(1,617)
Experience gains and losses arising on the scheme liabilities	26	190
Change in financial and demographic assumptions underlying the scheme liabilities	(216)	1,401
IFRIC14 surplus adjustment	(745)	(859)
Total remeasurement included within statement of comprehensive income	(848)	(885)

Movement in deficit during year

	2024	2023
	£000	£000
Deficit in scheme at beginning of year	331	342
Movement in year:		
Current service charge	(44)	(66)
Contributions	2	2
Past service costs	0	0
Administration costs	(1)	(1)
Settlements and Curtailments	-	-
Net interest/return on assets	63	43
Actuarial gain	(103)	(26)
IFRIC14 surplus adjustment	114	37
Surplus/(Deficit) in scheme at end of year	362	331

History of experience gains or losses

	2024	2023	2022	2021
	£	£	£	£
Return on assets excluding amounts included in net interest	87	(1,617)	244	914
Value of assets	5,855	5,692	7,269	8,060
% of scheme assets	1.49%	(28.41%)	3.36%	11.34%
Experience gains and losses on scheme liabilities	190	(1,591)	(1,226)	55
Total present value of liabilities	(5,493)	(5,361)	(6,927)	(8,230)
% of Total present value of scheme liabilities	(3.46%)	29.7%	17.7%	(0.67%)
Actuarial gain/(loss) recognised in statement of comprehensive income % of the present value of liabilities	(848) 15.44%	(885) 16.51%	574 (8.29%)	859 (10.44%)

Actuarial Gain in respect of pension scheme

	2025 £	2024 £
GMP	11,853,000	4,015,000
MPF	1,279,000	11,000
USS	-	1,073,356
EPP	13,041	(8,062)
	13,145,041	5,091,294

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate have increased significantly since 31 July 2023, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law.

It was not previously clear whether the Virgin Media ruling would apply to the LGPS but, following the publication of draft legislation, we do not now expect the ruling to give rise to any additional liabilities

24. Financial Instruments

The University operates a treasury management function which is responsible for managing the credit, liquidity and interest risk. These financial risks are managed within the parameters specified in the approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Chartered Institute of Public Practice (CIPFA)'S 'Treasury Management in the Public Services: Code of Practice.

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

Credit risk arises from bank balances, investments, student debtor and commercial customers. Student and commercial debtors

are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain, or written off if deemed irrecoverable.

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Daily, weekly and monthly monitoring of cash position and regular cashflow forecasts are part of the control environment and planning throughout the year. The University policy is to maintain a balance of no more than £10m with any single banking organisation.

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in the value of balance sheet items.

The fair values of each category of the University's financial instruments are the same as their carrying value on the statement of financial position.

Financial Assets

	2025 £	2024 £
Investments	8,500,000	9,500,000
Trade & Other Receivables	4,079,234	1,159,001
Cash & Cash Equivalents	11,634,402	12,154,694
	24,213,636	22,813,695

	2025 £	2024 £
Financial Liabilities		
Loans	2,472,711	2,845,387
Trade & Other Payables	741,542	1,236,058
	3,214,253	4,081,445

25. Reconciliation of Net Debt

	2025 £	2024 £
Net Debt at 1 August	(9,309,307)	(15,902,516)
Movement in Cash & Cash Equivalents	(520,291)	(6,945,872)
Other non-cash changes	667,907	13,539,081
Net Debt at 31 July	(9,161,691)	(9,309,307)
Change in Net Debt	(147,616)	6,593,209

Analysis of Net Debt

	2025 £	2024 £
Cash & Cash Equivalents less:	11,634,402	12,154,694
Borrowings: amounts falling due within 1 year		
Secured Loans	394,378	372,676
Borrowings: amounts falling due after 1 year		
Secured loans	2,078,333	2,472,711
Net Debt	9,161,691	9,309,307







LIVERPOOL HOPE UNIVERSITY

1844

Liverpool Hope University Financial **Statements** for year ending 31st July 2025

Registered Company Number: 3285547

A company limited by guarantee,
without share capital, registered in England

Registered Charity number: 1060579

Accounts



LIVERPOOL HOPE
UNIVERSITY

1844

Liverpool Hope University

Financial Statements

for year ending 31st July 2024

Registered Company Number: 3285547

A company limited by guarantee,
without share capital, registered in England

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Financial Statements

for the year ending 31 July 2024

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Chair of Council's Welcome

It is my pleasure to introduce Liverpool Hope University's Annual Report and Financial Statements for 2023-24.

This has been an important year for the University, not least with the publication of Vice-Chancellor Professor Claire Ozanne's Strategic Plan. This sets out Liverpool Hope's aspirations and objectives to 2028 and outlines how it will build on its history of being the only ecumenical higher education institution in Europe, championing social justice to realise a more equitable society and following the mission "to educate the whole person in mind, body and spirit".

The Strategic Plan supports the University's ambition to be an anchor organisation in the Liverpool City Region, contributing to solutions for both local and global challenges and developing skilled, confident and future-ready graduates.

Knowledge transfer and research remains a core part of University activity and there has been a new series of research collaborative events with the public and third sectors to explore how best the University can help bring solutions to key societal issues and concerns.

Another significant development over the last year has been the restructure of the University into four faculties. This not only creates economies of scale and promotes

consistency of processes but also creates better opportunities for collaboration, communication and sharing good practice.

In line with the University's strategic objectives, a number of important reviews have taken place over the last 12 months. These include a governance review and a digital review, the result of which will inform the development of a five-year digital plan. This will set out the objectives for our digital infrastructure to enhance learning and research opportunities and ensure that the University is aligned with the region's drive to be a world leader in digital development and connectivity. As part of the University's commitment to regional development, Hope is a partner in a Liverpool City Region Connecting Capabilities Funding Bid valued at £10 million. The newly opened i3 Building at our Hope Park campus takes full advantage of digital technology and is a wonderful space for students to collaborate and learn.

Other achievements include the signing of the People and Planet Fossil Free Declaration, reinforcing the University's commitment to environmental sustainability and the launch of a new social impact report developed in partnership with Purpose Coalition. Chaired by former Education Secretary Rt Hon Justine Greening, the Purpose Coalition is a collective of organisations striving to break down barriers to opportunity. The report highlighted Liverpool Hope's continued efforts to increase social mobility, recognising the

financial and wellbeing support it provides for underrepresented groups and its strong tradition of community engagement.

Staff, along with students, continue to be the University's greatest asset and so the introduction of a new People Strategy was another milestone moment. The strategy outlines the University's ambitions to develop its culture, people and processes to ensure Liverpool Hope and its students continue to succeed.

Liverpool Hope University has always been proud of the way that it knows and supports students as individuals. From small class sizes, to excellent academic and pastoral support, the University strives to give students the best possible experience. It is rewarding to see this reflected in another year of great results in the 2024 National Student Survey (NSS), with Hope being top in the North West and top ten in the UK in six of the themes. Liverpool Hope University was ranked fifth in the UK for student satisfaction following analysis by Times Higher Education (THE).

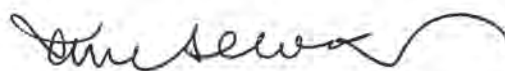
It is important that we use this report to celebrate some of the institutional and individual successes of the last year. Among many accolades was the naming of Professor Frank Cottrell-Boyce as the Children's Laureate. Dr Taras Khomych was awarded the Josephine Butler Trust Volunteer of the Year award, recognising his work with the Ukrainian community and musical theatre course leader, Sharon Byatt, starred in an award-winning film. Colleagues continue to publish and edit significant work with Professor David Bolt being appointed as Editor-in-Chief of the Oxford Research Encyclopaedia in Disability Studies.

Hope students continue to inspire all of those who work with them and it has been wonderful to see how they have succeeded in other arenas over the last academic year. From being selected to work at the Paralympics to being commissioned to create Liverpool Cathedral's nativity scene, our students are sought after by

prestigious organisations. There have been national awards and prizes for students in the fields of social history and robotics and the University's reputation for Gaelic football continues by winning the British University Championships.

In terms of finances, it is well documented that the higher education sector is facing enormous challenges. Here at Hope, we are committed to ensuring that this does not affect the academic or pastoral experience that our students get. As a community we are confident that we can meet the economic challenges and the last year has seen a review of the portfolio and changes to the student recruitment process. Academic and professional staff made positive contributions by working together to look at new opportunities for future sustainability and growth. We know that the year ahead will be difficult for the sector but the University is in good shape to continue to rise to these challenges.

I am honoured to have been appointed as Chair of University Council and to present you with this Annual Report.



Mrs Jane Beever
Chair of University Council
20th November 2024

Strategic Report

Liverpool Hope is a superb University rooted in a vibrant and exciting city. The University is proud of its past, confident in its present and ambitious for its future.

With a history extending more than 175 years, Liverpool Hope has developed a distinctive ethos that brings together scholarship, research and teaching, with an educational philosophy based on the triune quest for Truth, Beauty and Goodness. The institution is deeply committed to a culture of research and knowledge exchange and to preparing graduates to serve the common good.

The challenges within the sector will require the University to adapt and evolve. However, the longstanding missions and values of the University will continue to underpin plans for the future. Liverpool Hope is a University where the individual and individuality matter; where ambitious people are able to grow and staff contributions and achievements are valued and recognised. Liverpool Hope is committed to supporting and promoting equality and diversity to create an inclusive learning and working environment that recognises and respects difference.

As Vice-Chancellor I am privileged to lead the institution into the next phase of its evolution. The Strategic Plan, launched in May 2024 builds on the strong foundations and ethos embedded at the core of Hope

and is based around five pillars, supported by a number of enabling strategies.

The **five pillars** are:

- **Ethos and Community**
- **Education**
- **Research, Scholarship and KE (Knowledge Enhancement)**
- **Partnership and Voice**
- **Sustainable and Future Ready**

The plan sets out ambitions to take the University to the next level, increasing its national and international reputation, while students and community remain at the heart of what Liverpool Hope stands for.

Ethos & Community

This year, the University celebrated the 10th year of supporting the Aurora Programme, that aims to enable a wider range of women in academic and professional roles to think of themselves of future leaders by developing the skills they require. Over the last 10 years 71 female staff have enrolled and successfully completed the programme.

The University is proud to be part of the Disability Confident Scheme, and is committed to supporting diversity and equality. The Disability Confident Scheme focuses on challenging attitudes towards disability, increasing understanding of disability, and removing barriers to disabled people.

The Disability Confident Scheme is a Department of Work and Pensions scheme based in the UK. It helps organisations to think differently about disability in relation to employment, retention, training and career development. The University is striving to achieve the highest level by 2027.

The University is delighted to engage with the Supported Internship Scheme coordinated by Liverpool City Council. Supported internships are a structured, work-based study programme for 16- to 24-year-olds with SEND. This involves a substantial work placement facilitated by the support of a trained job coach. The University has worked with Liverpool City Council, Childwall Abbey and Sandfield Park Schools. Over the last two years, seven placements have been facilitated at the University within Catering, Chaplaincy,

Estates, Library Services, People Services and Hope Park Sports. Three interns have commenced placement this year. The University has been recognised by the City Council as an Above and Beyond Partner, this followed the previous year's award of Best Working Partnership Partner.

Hope has recently achieved Aspiring Level of the Fair Employment Charter. The Fair Employment Charter was established by Mayor Steve Rotherham for the Liverpool City Region, celebrating fair employment practices. By joining the Charter, the university is committed to the principle of fair employment and playing a part in building a healthy, fair, inclusive, and just Liverpool City Region.

The Defence Employer Recognition Scheme (ERS) includes a pledge to promote being armed forces-friendly, that demonstrates and advocates support to the armed forces community, ensuring that those who serve or who have served in the armed forces, and their families, are treated fairly. The University has signed up to the first level of the scheme and is working towards bronze membership.

Historically the university has paid the Voluntary Living Wage and continued to do so in 2023.



Education

Liverpool Hope University is committed to providing an excellent education that transforms lives.

Learning and Teaching Assessment

The University provides a learning experience which is both personalised and community-orientated achieved through a clear awareness of the Liverpool Hope student profile, and a commitment to understanding students' different characteristics and needs. This experience equips students to be active participants in their learning and prepares them, through the development of skills and knowledge, to make a difference for good in the world as future leaders in a wide range of contexts. This commitment is set out in the University's Learning Teaching and Assessment Strategy. This strategy is based on two fundamental concepts, firstly the attributes which every Hope graduate should have and secondly the underpinning principles of Learning, Teaching and Assessment at Hope.

The University applied for a TEF award and gained silver recognition in both Student Experience and Student Outcomes categories. The University's Communities of Practice (COP) scheme for staff development continued, with new COPs being introduced in Supervising Dissertations, Student Reading and Literary Early Career Teacher and Teaching Socially Relevant Topics. The structure of the University Virtual Learning Environment was substantially updated in response to student feedback. A new peer enhancement policy was developed and implemented; this structures the opportunity for colleagues to observe good practice in the classroom.

Introduction of faculties

During 2023/4, the University undertook a major project to focus academic leadership in four new faculties rather than the existing ten schools. This development is intended to improve administrative efficiency, facilitate academic collaboration and to allow a more coordinated approach to future developments. The change has provided opportunities for career progression for a number of colleagues, including the introduction of Associate Dean posts for specific focus on student experience, research and knowledge exchange and external engagement in each faculty.

As part of the introduction of a faculty structure, the University revised its course offering to ensure a strong portfolio of degrees. The University developed and recruited students for a new course in Sport and Exercise Nutrition, introduced a number of new postgraduate taught programmes and has also refined its offer of combined honours degrees to make the university portfolio more navigable. In order to support the QA of the ongoing development of the portfolio, the University has appointed a new Senior Quality Officer.

Degree Apprenticeships

The University received confirmation post year end from the Office for Students via Wave 3 funding competition to become a new Department for Education approved Apprenticeship Training Provider. The funding will allow the University to offer Level 6 degree apprenticeships for the first time, with the aim of increasing the equality of opportunity across the Liverpool City Region. Partners across the Community have provided letters of support with many declaring an 'in

kind' contribution to the apprenticeship programme. Four sectors will be supported by the University's degree apprenticeships providing courses in, teaching, physiotherapy, youth work and social work.

National Student Survey 2024

Liverpool Hope University has been ranked fifth in the UK for student satisfaction following analysis by Times Higher Education (THE) of the 2024 National Student Survey (NSS) results. The annual National Student Survey (NSS) is a census of all final year undergraduate students in the UK, offering a chance to provide feedback on their student experience at Hope. In 2024, just under 346,000 (72.3% overall response rate) final year undergraduate students from 130 higher education institutions participated in the survey, which asks them to share their thoughts on a range of topics relating to their university experience. Liverpool Hope has achieved a strong set of results across the board, rising up the rankings in every category. In addition to finishing first in the North West in six categories, the University also ranked second in the region for teaching, organisation and management and for its Students' Union.

The University continues to develop and augment its support for students.

- An enhanced provision using Studiosity was introduced for English Language support for international students.
- The online system using QR codes was introduced to facilitate more effective recording of student attendance. This has enabled teams to manage support for students with low attendance, regular and accurate data means that students can be contacted early and offered support.
- The availability of the student support fund was widened to provide opportunities for a greater proportion of the full cohort to apply has been specifically beneficial for PGCE students.

- Pastoral support was teams have been aligned to give a consistent and wrap around service for students. Student Life is established as the first point of contact, a service that offers support to all students.
- Student Engagement Officers offer a signposting and referral service. They proactively contact students and manage events a part of the wider wellbeing team.

Organised by the Students' Union the annual ceremony is an opportunity for the student body to recognise those who go the extra mile to make Hope a better place. This year's event generated more interest than ever before, with 620 nominations received representing a 46% increase on previous year.

Insight to Business Awards

Outside the curriculum students continued to embrace a wide range of opportunities made available to them. In 2023/24 the eighth annual Insight to Business Awards saw Hope's Business School joining forces with some of the region's most influential organisations to offer short-term placements to both undergraduates and recent graduates. Everton in the Community, Liverpool Chamber of Commerce, Lloyds Bank and The Brain Charity were among the 13 companies to offer opportunities as part of this year's event which saw 51 students shortlisted for an award, 18 of whom were recognised as winners.

Wild Hope Records

The Liverpool Hope Music Team launched a record label, Wild Hope Records, offering opportunities for undergraduate and postgraduate students to release their own compositions. In 2024, the first student to release an album on the University's record label is a 10-track record inspired by Sudanese music linking melodies with classical pop and modern jazz.

Plas Caerdeon

The University offers students the opportunity to spend time at its campus in North Wales. The new 2023/24 student engagement programme at Plas Caerdeon had a more inclusive approach than previous years. Bespoke courses to academic tutors from the University's schools had a significant impact in engagement, with a 57% increase in student attendees. As part of the experience, students were able to obtain certificates in Paddle Sport (42 British Canoeing Start and Discover Awards issued), Navigation (32 Mountain Training Hill Skills certificates issued) and First Aid (49 certificates issued), supporting team working and other transferable skills.

Partners in the City

There is also encouragement to work with partners in the city. Staff at Liverpool Hope's Creative Campus are working in close partnership with Citizens UK Liverpool to win change in local communities like Everton. The University fosters positive working relationships between communities, elected power-holders and businesses to collaborate on finding solutions to shared challenges and influence change to achieve shared goals.



Research & Knowledge Exchange

Liverpool Hope University is a vibrant academic community with high scholarly standards.

In order to underpin the new Strategic Plan, the research, scholarship, and knowledge exchange (KE) strategy is being refined to support engagement in excellent research and knowledge exchange activities which have impact on societal challenges and underpin our learning and teaching.

The University submitted over 96% of its active research staff (colleagues with Significant Responsibility for Research) in thirteen Units of Assessment for REF 2021. All 13 subject units were assessed as having aspects of their work in Internationally Excellent (3*) or world-leading (4*) categories. The subjects submitted were English Language and Literature; Theology and Religious Studies; Psychology; History; Computer Science and Informatics; Nutrition; Sport and Exercise Sciences; Geography and Environmental Studies; Politics and International Studies; Education; Music, Drama, Dance, Performing Arts; Social Work and Social Policy; Art and Design.

The University is continually developing its research profile and has an ambitious agenda for the future to build on the REF 2021 results. Objectives include fostering interdisciplinary approaches to knowledge creation and exchange, scaling-up external funding for research and supporting innovation to increase capacity to seek solutions to the challenges facing society. Liverpool Hope's REF 2021 submission is an indicator of the inclusive and broad-based research culture in the university, which provides a strong foundation for the enhancement of Hope's academic standing and the impact of its work.

Liverpool Hope University engages in a wide range of impactful research across disciplines such as Humanities, Social Sciences, Business, Education, Performing Arts and Design, Psychology, Geography and Environmental Science, Health Sciences, Law, and Computing Science and Engineering. These research initiatives exemplify the University's commitment to producing work that delivers real-world benefits. For instance, research on terrorism and political violence

has provided crucial insights into the psychological processes behind politically motivated violence, influencing global policymakers, security services, NGOs, and the public to enhance counter-terrorism strategies. A study on age-related changes in colour vision reformed clinical diagnosis and treatment, particularly benefiting older adults, while research into exercise and nutrition for muscle strength in older populations demonstrated the value of resistance exercises and a protein-rich diet for improving mobility and quality of life, shaping health promotion practices worldwide. The University's contributions extend further to areas such as educational practices, environmental conservation, agricultural innovations, mental health interventions, renewable energy advancements, cultural studies, biomedical research, social policy, welfare systems, and innovations in engineering and design.

Colleagues working on drone technology and algorithms have made significant strides in the High-Altitude Platform Stations (HAPS) Alliance and the Commonwealth Telecommunication Organisation, further establishing the Liverpool Hope University Space Society (LHUSS) to cultivate future leaders in

sustainable space solutions. Professor Frank Cottrell-Boyce, a leading figure at the University, has been named the new Children's Laureate.

Other notable work includes: the launch of a book on Media Language on Islam and Muslims: Terminologies and Their Effects at a panel discussion in Portcullis House and the appointment of a senior lecturer in psychology as Scholar in Residence at Christ University, India, to foster collaborations and provide consultancy on teaching practices. A recent conference commemorating the 75th anniversary of Ireland becoming a republic, sponsored by Ireland's Department of Foreign Affairs and Trade, attracting a distinguished gathering of academics, diplomats, and politicians. These wide-ranging research efforts reflect Liverpool Hope University's ongoing commitment to advancing academic knowledge and making a tangible impact on society, health, education, technology, and the environment.



National and International Partnerships

During 2023/24 the University has continued to build its reputation both nationally and internationally and to strengthen its relationships with external partners.

Strategic Partnerships

The University entered into a three year contract in June 2023 with Ambition Institute to validate its PGCE for its ITT programme. Liverpool Hope will also supply joint creation of learning support plan; E-Library access, Email; access to Turnitin and marking and feedback. Ambition Institute is a national education charity and the largest provider of teacher education in England.

In joining the Growth Platform, established by the Liverpool City Region Local Enterprise Partnership, the University has engaged with key networks and stakeholders in the City Region, and continues to explore mutually beneficial collaborative opportunities that will deepen its contribution to the sustainable growth and wellbeing of the region and its communities.

During the year, Hope signed partnership agreements with Belmont College in London to deliver Business Management with a foundation year using a new and flexible delivery model that will include multiple delivery points a year.

We have also re-energised a series of academic partnerships with universities in the USA, China, the Philippines, India and South Korea to support student mobility and knowledge exchange. This work will bring benefits and opportunities to our students and staff which we seek to continue developing over the coming year.

Conferences

During 2023/24 the University was delighted to host a number of national and international conferences. This included the following:

EYPUK – European Youth Parliament (July and September 2024)

The University welcomed 150+ residential guests at Hope Park and Creative Campus for a 4-day residential event. The European Youth Parliament United Kingdom (EYPUK) is a leading non-partisan and youth-led educational charity. It aims to provide non-formal education for young people on a wide range of political issues facing the UK and Europe.

PSS Conference (March 2024)

The University welcomed 120 guests for a full-day conference with talks, workshops and sessions catered to people who work with babies and their families in Liverpool.

Republic 75 (April 2024)

A 1-day event held at Hope Park with interdisciplinary involvement from Hope Academics in various fields, such as Professor Bryce Evans, Dr Liam O’Callaghan and Dr Catherine Morris. Included keynote speakers from various institutions, such as Professor Victor Merriman from Edge Hill University, and Dr Caoimhe Nic Dhaibheid.

The event also included the launch of Professor Stephen Kellys’ book “Gerald Boland: A Life” presented by Harry Boland (Grandson of Gerald Boland).

Liverpool City Region Careers Hub Experience of Work Placement Event (June 2024)

This initiative aimed to offer 250 Year 10 students from across LCR the opportunity to gain valuable insights into the healthcare industry. The week-long event brought together NHS staff from across the region to provide students with an insight into their roles.

2nd Annual International Beatles Symposium: Celebrating A Hard Day’s Night at 60 (July 2024)

The Music Team at Liverpool Hope University held an interdisciplinary, international Beatles symposium. This academic symposium honored the 60th anniversary of the release of the Beatles’ album and film, A Hard Day’s Night.

International Association of Children’s Spirituality Conference (July 2024)

The University welcomed approximately 40 residential guests to the Hope Park Campus.

The symposium promoted conversations about children’s spirituality and explored how the research and practices of participants contribute to new understandings and ways of nurturing the spirit of the child. The symposium consisted of a series of scholarly and practical conversations discussing educational policies, health and well and faith in education.

Outreach and Widening Access and Participation

The University aspires to strengthen delivery on its Life-Long Learning mission, including widening access and participation and ensuring good outcomes for graduates.

We have an approved Access and Participation Plan (APP) in place. Through commitment to the APP we have an ambitious set of strategic aims that support attainment raising in schools and which seek to improve outcomes for students who may otherwise be less likely to access higher education and succeed once there. The University seeks to ensure equality for everyone that applies or registers with us regardless of ethnicity, background or financial hardship.

Furthermore, the University is committed to the Outreach and Widening Access and Participation agenda more generally through its outreach work. This includes through its partnership with Holy Cross Bury (the Network of Hope) where higher education courses are delivered locally for those who might otherwise have limited access to provision.

The University fulfils its ambitions in relation to Access and Participation by offering support for students through a series of scholarships, and through on course funds for those who are struggling financially. The Learning Support Fund is available to students from the groups

identified in the Plan; with the aim of ensuring that discontinuation of studies is avoided. Details of the expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The University continued to invest in a range of facilities and services to support disabled students, ensuring they are able to fully participate in the life of the University. In 2023/24, 28.03% of Liverpool Hope students had a declared disability. This is significantly higher than the sector average, and reflects the mission and values of the institution.

The expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The total expenditure in the four categories was £1,410,431. This represents a similar figure compared to 2022/23 £1,492,981.

Capital Developments

Underpinned by the desire to deliver an excellent education and student experience and a commitment to reducing environmental impact, the University continues to develop its estate.

A major refurbishment of the grade 2 listed, 3 Islington Square building at the Creative Campus was completed in April 2024. The building provides flexible teaching and office accommodation, bringing back into use a dilapidated building and demonstrating the University's commitment to the continued regeneration of a deprived area of Liverpool.

In May 2024, the University completed construction work on the i3 (formally IQ) Building project at the Hope Park Campus. This is a flagship Learning and Teaching building which has a budget of £13.5 million. The new facilities improve the student experience by providing access to a range of different learning and teaching

environments, including the use of new technologies, such as the use of immersive virtual reality within the Simulation Suite.

Other capital work currently being undertaken include the refurbishment of one of the University's student residential halls, Angela Hall, which is partly funded by a PSDS Salix grant. A further PSDS Salix grant was obtained to part finance the refurbishment of Gerard Manly Hopkins Hall with works being planned for summer 2025.

All capital developments have been fully paid for from cash reserves and have been designed in a way to minimise the University's dependence on fossil fuels, as part of a move towards net zero.





Financial Performance

The University takes financial performance seriously and has robust financial processes and procedures in place to ensure the financial sustainability of the University is always protected.

While Liverpool Hope has always had a strong financial foundation, this year, we have experienced the challenges felt throughout the sector. In July 2023, University Council formally approved a deficit budget of £2,031,702 (3.6%). The intention was that this deficit would be for one year only to enable the University to reposition, recognise the need for investment in new initiatives and to diversify income.

The University reacted quickly in September 2023 to the decline in the financial position. Project 2028 was launched to identify new income streams and cost savings to be delivered through a number of focused areas, a target of £1.625 million was set for 2023/24, this KPI was achieved and the project delivered £2.297 million, £0.67 million in excess of the target. Project 2028 is a key part of the operational planning that will underpin the Strategic Plan and ensure delivery of the strategic objectives.

Through careful management of the resources, additional income generating activities, the two in year reforecast exercises and strong financial controls, the final result was a deficit of £624,074 (1.1%). A deficit indicator should not, on its own, be used to judge longer-term sustainability. Accounting treatments can often distort movements in surplus and deficit levels between years, meaning that there are risks in using surplus levels alone to assess underlying financial performance. It should be noted, the reduction in the forecast deficit was only achieved due to the major reduction in the FRS 102 Pension adjustment.

Financial Performance Indicators are summarised below.

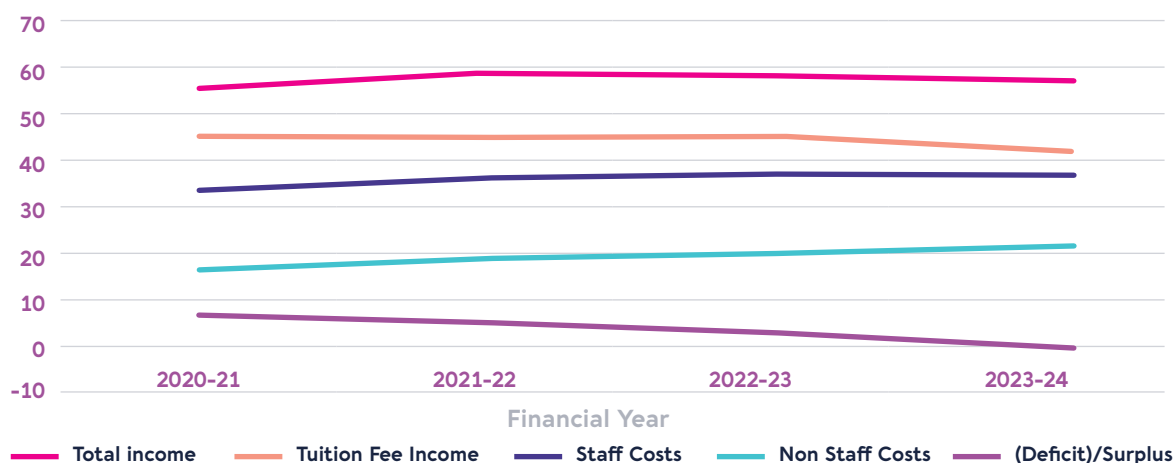
	2023/24	2022/23
	£000	£000
Operating (deficit)/surplus	(624)	2,309
Staff as a percentage of income	64%	63%
Net cash (outflow)/inflow	(26)	4,565
Net cash (ouflow)/inflow as a percentage of income	(0.05%)	7.84%
Liquidity days	148	207

Report by the OfS: Financial Sustainability of higher education providers in England: 2024 predicts that the financial outlook in the sector is weakening in 2023-24 with 40% of HE providers forecasting a deficit and over 60% with weaker results compared to the previous year. The trend predicts providers expect operating cash flow to fall. The University results follow these OfS predictions.

Cash reserves at year end £21.6m (2022/23 £29.1m). Net cash inflow during the year was £26,342 compared with 2022/23 cash inflow of £4,565,327.

The Statement of Comprehensive Income for the year is set out on page 58. Using this data the chart below demonstrates the impact of fixed home fees on the University over the last four years. Annual surpluses are declining due to static income and rapidly rising staff and non-staff costs.

Financial Results over a 4 year period



As the majority of our students are Home UG students, the reduction in student numbers and the decision to freeze the tuition fee at £9,250 (since 2017 and in real-terms is less), has meant that fee income is decreasing while the cost base increases. Project

2028 will address this gap. Links have been established to the five-year strategic plan with KPI targets to ensure future financial sustainability and delivery of the Strategic Plan KPIs.

Student Numbers

As at 31st July 2024 the University had 5,047 students (31st July 2023: 5,459 students).

	Full Time Students	Part-Time Students
Undergraduate	3,858	79
Postgraduate (taught)	343	258
Postgraduate (research)	41	77
PGCE	259	13
Other	119	-
Total	4,620	427

Treasury Management Policy

The University had gradually increased the level of cash reserves so that it could undertake its extensive capital programme without needing to resort to external finance.

In July 2024 Cash and Cash equivalents and Investments, had reduced by £7445,872 to £21,654,694 compared to July 2023. This was not unexpected due to payments of £4.9 million during the year for the i3 building and £1.2 for Islington Square.

All investments are made in line with the University Treasury Management Policy, ensuring that investments are ethical and risk averse.

The outstanding value of the one remaining University bank loan had reduced to £2,845,387 at the year-end (2023 - £3,198,050), and no new loans were taken out in 2023/24. All borrowing is undertaken in the name of the University and conforms to OfS requirements. The Treasury Management policy is updated annually and was revised in October 2024.

Risk Management

The University takes the management of risk seriously. Where a risk is seen as a threat, mitigations are identified and put in place. However, risks can also be seen as opportunities and the University takes proportionate and planned risk where appropriate to help achieve its strategic objectives.

The University has carried out a restructure of its academic departments and the risk management responsibility has altered to align to the new structure. Each School, Faculty and Department has their own Risk Register. The Faculty registers are prepared following consideration of the School registers. A new Risk Management Oversight Group (RMOG) has been established to review risk across the university and then make recommendations for the University Executive Board to consider; the group members include senior staff, reflecting all areas of the University.

The University's overarching risk register has developed to include more information and a new guidance document has been issued to aid the understanding of risk and the risk register. The University risk register is overseen by the Audit Committee on behalf of University Council. The University has a comprehensive internal control system to manage risk. This includes a program of work by the internal auditors which directly addresses risks identified in the risk register. In June 2024 Risk

Management training was delivered by an external company to Council members, the University Executive Board and Senior Management Team.

The Risk Register is a dynamic document, updated as required to reflect changing circumstances with formal review scheduled three times per year plus a fourth general review at the start of the academic year, that will formally consider emerging risks that have arisen over the summer period. The University continues to scan the policy environment and is fully engaged with sector bodies and local, regional and national partners to inform the identification and mitigation of risk.

The risk register captures the key risks to the institution, the top three risks currently are (1) cyber security breach (2) financial sustainability (3) decline in student recruitment, which are risks common to the sector. While not complacent, all of the financial modelling undertaken to date provides reassurance of the University's long-term financial sustainability.

The University enters the next phase of its development with a clear strategic vision as outlined in the new Strategic Plan and is confident that it can adapt to, manage and minimize the risks faced.

This vision is endorsed by the University Governance structure and ownership is embedded across all senior management.

We enter 2024/25 confident that we will be able to flourish and thrive.

Claire M.P. Ozanne.

Professor Claire Ozanne

Vice Chancellor & Rector

20th November 2024



Directors Report

Legal status

Liverpool Hope University was re-constituted in 2005 by order of the Privy Council under Section 129B of the Education Reform Act 1988, as a single, joint Anglican-Roman Catholic ecumenical University. It is registered in England and Wales as a Company Limited by Guarantee (3285547) and registered as a Charity (1060579).

In 2002 taught degree awarding powers were secured and the title Liverpool Hope University College officially bestowed. In July 2005 the granting of full University status led to the adoption of the title Liverpool Hope University and in August 2009, the Privy Council granted the University the power to award research degrees.

In the academic and financial year 2023/2024 there were 5,047 students and 642 members of staff, with a range of degrees at undergraduate and postgraduate levels.

Members of the University Council

(A list of directors can be found on page 34)

All the members of the University Council are directors of the Company. No director had any interest in any contract made by the University during the financial year, other than a contract of employment as a member of staff and that described in note 20 to the accounts.

Mission Statement

The Mission Statement reflects both the University's traditions and its intention to develop and maintain a distinctive and forward-looking programme relevant to local, regional, national and international needs.

Liverpool Hope University is an ecumenical, Christian foundation which strives:

- to provide opportunities for the well-rounded personal development of all students;
- to educate the whole person in mind, body and spirit, irrespective of age, social or ethnic origins or physical capacity, including in particular those with promise who might otherwise not have had an opportunity to enter higher education;
- to be a provider of high quality educational programmes responsive to the needs of students in the UK and abroad;
- to sustain an academic community, enriched by Christian values and culture, which supports teaching and learning, scholarship and research, encourages the understanding of other faiths and beliefs, and promotes religious and social harmony;
- to be globally credible while contributing to the educational, religious, cultural, social and economic life of Liverpool, Merseyside, North-West England and beyond.

Equality and Diversity

The University is cognisant of its obligations under the Equality Act 2010 and has due regard to equality and diversity in its policy making processes. Its Equality and Diversity Policy and other related information can be found at:

www.hope.ac.uk/gateway/staff/peopleservices/equalitydiversityandinclusion

The University has an Equality & Diversity Steering Committee which reports to Senior Management Team, Senate and the Staffing Committee of University Council. The Steering Committee takes an overview of the University's equality objectives and analyses data reports to ensure that any issues relating to groups with protected characteristics are identified and then tackled. The University has participated in the Aurora programme to support women into management and leadership positions and is planning to apply for Athena Swann membership.

Employee Involvement

The University places considerable value on the involvement of its employees and on good communication with them. Staff are encouraged to participate in formal and informal consultation at University, School and department level, sometimes through membership of formal Committees. The Vice-Chancellor addresses all staff at the start of the academic year. The Vice-Chancellor, meets all Academic Leaders and Operational Leaders with the senior team at least twice a term but more regularly if required.

There is a system of cascading information from those meetings to all staff and departments and service areas are expected to hold regular staff meetings to enhance two-way communication.

The University established the Hope Forum to ensure that colleagues' voices are heard and that staff at all levels are able to contribute to decision-making with the aim to support a positive, collaborative and fair culture that supports success.

The University's People 2024 Strategy has a strategic strand to enhance engagement with and of staff. The Joint Consultative and Negotiating Committee (JCNC) is a forum for management and Trades Unions' representatives which meets regularly. The Hope Bulletin is a weekly electronic newsletter sent to the inbox of all members of staff every Wednesday to keep them up to date with University news, events and achievements.

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on trade union facility time reporting. For Financial Year ending 31st July 2024 there were 21 trade union representatives equating to 20.54 FTEs at a cost of £23,555. In terms of percentage of working hours spent on facility time, there were 13 employees working less than 0% and 8 employees working between 1% to 50% of their working hours.

Supplier Involvement

When engaging suppliers, the University utilises a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Areas of Public Benefit provided by Liverpool Hope University

In shaping its objectives and planning its activities the University has considered the Charity Commission guidance on public benefit. The University through oversight of its activities at University Council meetings is confident that it fully satisfies the Public Benefit requirements of the Charity Commission as there is a direct benefit to students from its activities and an indirect benefit to the public at large. The Public Benefit requirement requires two principles to be met.

1. There must be an identifiable benefit or benefits.

The objects of the University are:

- the higher education of men and women including the education and training of persons intending to enter, or engaged in, the teaching profession;
- the furtherance of the Roman Catholic Church and the Church of England, of Christian education, of ecumenical ideals, and of understanding between Christian Churches in the promotion of the Gospel;
- the advancement of knowledge by research and scholarship and teaching and learning;

This is a clearly identifiable benefit.

2. The benefit must be to the public or a section of the public. This area is expanded below.

As well as the students themselves, the University provides benefits for the general public. This includes a range of events such as concerts, lectures and the Angel Field Festival that are either free or accessible for a minimal charge.

Health and well-being initiatives are also run at the University which the public is able to attend. The University's Service and Leadership award encourages students to undertake a range of voluntary activities across the local community and overseas and is recognised by a formal award at the end of their degree. The University is a partner of Contact the Elderly and participates in Childwall in Bloom.

Environment and Sustainability

Liverpool Hope University has a moral and ethical approach to stewardship of the Earth and a responsibility to create a better quality of life for present

and future generations and strives to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. The University recognises the negative and positive impacts that it has on the environment, economy and society both locally, nationally and globally. The University, however, is well placed to make an exceptional contribution – well positioned through its teaching and research; influence on students, staff and communities; and through its business and campus operations.

Sustainability is central to the University's mission and values and forms one of the five pillars of the University's Strategic Plan and our decisions and actions reflect the concern that our community has for our environment. Hope's Sustainability Policy commits the University to increasing its positive contribution and reducing its negative impact on the environment in six key impact areas: awareness and engagement, utility consumption, travel and transport, waste, estates development and procurement; all of which contribute to the University's carbon emissions.

The University has committed to achieving net zero Scope 1 and 2 emissions by 2040 and net zero Scope 3 emissions by 2050 at the latest.

The University's Scope 1 and 2 carbon emissions during 2023-2024 (August to July) were 2,464 tonnes CO₂e (equivalent to 0.03 tonnes CO₂e per m² GIA) and have been calculated using the Government conversion factors for company reporting of greenhouse gas emissions (see below). The University's total Scope 1 and 2 emissions have decreased by 52.8% since 2005-2006, but increased by 0.6% compared to last year (2022-2023).

This is despite growth in the size of the University's estate during the same period.

Work is continuing to collate and analyse the University's relevant Scope 3 emissions:

Emissions Source	Scope	Consumption (2023-2024)	Tonnes CO2e	% difference between 2005-2006 and 2023-2024 (consumption)	% difference between 2022-2023 and 2023-2024 (consumption)	Consumption per Student (headcount - July)
Gas	1	6,889,164 kWh	1,260	-38.7	-6.3	1,367
Fugitive Emissions	1	31.5kg	60.6	+22.6	+	0.006
Fuel used in owned vehicles	1	4,073L	10.0	-35.1	+4.2	0.8
Electricity	2	5,471,724 kWh	1,133	-15.9	+3.5	1,086
Total	1 & 2	-d	2,464	-52.8	+0.6	0.45
Scope 1&2 emissions	3	as above	584	as above	as above	as above
Water (supply & treatment)	3	49,814 m3	16.9	-21.0	+3.4	9.9

Carbon reduction projects have continued to contribute to the decrease in carbon emissions with the continued installation of LED lighting and controls; fine-tuning the Building Management System; catering equipment upgrades, including an electric pizza oven; and decarbonisation of one of the University's halls of residence (as below). The University has generated over 117k kWh from its on-site solar panels; and is aiming to increase its generation over the coming years.

The University's Estates team has been successful with four separate grant funding bids to the Government Public Sector Decarbonisation Scheme since 2020 enabling the University to access

over £1.4m grant funding: St Julies halls of residence works completed in 2021-2022 (Salix Public Sector Decarbonisation Scheme Phase 2) included replacing the gas fired heating system with electric panel heaters (removing over 80% of the gas consumption), replacing the original steel framed single glazed windows with double glazing, installing internal wall insulation and solar PV; the Trinity project completed in 2022-23 (Salix PSDS Phase 3a) replaced the gas heating system with an Air Source Heat Pump (removing 100% of the gas consumption), installing double glazing, solar PV and a Building Management System; and Angela Halls of Residence completed in 2023-2024 (Salix PSDS Phase 3b) replaced the gas fired heating system

with electric panels heaters, replaced the gas fired domestic hot water with an ASHP (removing 100% of the gas consumption) and installed internal wall insulation on the outer facing walls. The University has also successfully applied for Salix PSDS Phase 3c funding for the Gerard Manly Hopkins Hall. The funding will be used to replace the gas fired heating and hot water generation with electric panel heaters and an ASHP removing nearly 100% of the gas consumption (outstanding consumption is to supply the laundrette facility); this project will reduce the University's gas consumption by a further 8%. This decarbonisation of buildings as part of the PSDS scheme, plus an additional two fully electric buildings, has increased the electrical consumption of the University, but dramatically decreased gas consumption.

Going concern

The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The University currently has one remaining loan of £2.8 million of loans outstanding with bankers, secured by a fixed and floating charge on University assets. The University's forecasts and financial projections indicate that it will be able to meet the financial commitments in relation to this loan for the foreseeable future, after consideration of reasonably expected changes in performance.

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

The financial statements have been prepared on a going concern basis which the Council considers to be appropriate for the following reasons.

The University has prepared a financial model and cash flow forecasts for a period

up to July 2026 which takes account of severe but plausible scenarios. After reviewing the assumptions underpinning these forecasts, the Council is of the opinion that the University will have sufficient funds to meet their liabilities as they fall due, over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic but not unrealistic assumptions to demonstrate going concern, reduction in recruitment, inflationary increases in relation to staffing and general inflation, Utility costs. Even on this basis, liquidity levels are forecast to remain strong despite funding the committed capital programme from cash reserves.

Consequently, the Council is confident that the 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.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Section 172 Statement

The members of the University Council are Trustees of the University and directors of the Company. In line with their duties under s172 of the Companies Act 2006, directors act in a way they consider, in good faith, would be most likely to promote the success of the

Company for the benefit of its members as a whole. As part of the decision-making process, matters that are of strategic importance to the Company, the Board and its Committees consider the potential impact of decisions on relevant stakeholders. Whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Students

Liverpool Hope takes pride in providing its students with a distinctive learning experience in this stage of their learning journey. Liverpool Hope offers the best possible student transformational experience enabling staff to get to know students one by one. This is delivered through high quality teaching and pastoral support, learning resources that underpin teaching and learning and a variety of learning spaces. This learning environment challenges and develops the students to enable them to progress on their journey into the workplace or further study.

The University considers it extremely important that effective ways are found to hear the whole students' voice in order to respond to their concerns and build a supportive learning community. A well-functioning Students' Union is a vital part of to this endeavour and the University ensures that the Student Union attends all of its major decision-making bodies so that the student voice is heard.

<https://www.hope.ac.uk/gateway/students/studentvoice/>

Employees

Each year the University frameworks in place to support staff and ensure compliance with our ethical, legal and employment obligations are reviewed to confirm their alignment with the external legal and compliance environment and our internal values and mission. These include formal staff policies and

procedures which cover all aspects of the employment relationship: performance, reward, well-being, health and safety, personal development and training, and underpinning recruitment, selection and promotion procedures. During this year the People Strategy was fully reviewed to align with the new University strategy. As part of this work there was also an extensive review of performance management and performance review processes, with a similar review of promotions processes planned for the forthcoming academic year.

In the last year, there has been significant emphasis on work to support staff well-being and engagement. This included a Health and Safety Executive Survey and a specific well-being survey focused on staff well-being. A number of key findings from these surveys were shared through different media like the Hope Bulletin and communication from the Vice Chancellor through the Senior Leadership team through to Faculty, School, Department and Team to maximise engagement with staff and stakeholders.

A range of media are in place to enable feedback from staff back to managers so any areas of concern can be dealt with early and effectively. Transparent and regular management communication channels are used to support our strategic and operational objectives. The University was able to demonstrate some key improvements in staff well-being from these survey results.

The University continues to develop its offering to staff via attractive terms and conditions, leave, well-being and flexible working, health-supporting initiatives and considers equality and diversity at every stage of its work. For example, for the year 2023-2024 a number of Well-Being Foundation hour discussions were built into the university timetable to allow all staff to have the opportunity to have time away from their work to consider well-being issues such as Meet the Well Being Champions, Neurodiversity Awareness in the Workplace, the Money Charity - Financial Wellbeing, Wellbeing

and Good Practice in Communication. The University is also now a Disability Confident Committed Employer (level one status). The University also signed the Defence Recognition programme.

This progress was against a backdrop of extensive Faculty re-structure work which welcomed consultation from a wide-range of colleagues and stakeholders on the best way to align our structures to support delivery of our new Strategies around Ethos and Community, Education, Research, Scholarship and Knowledge Exchange, Partnership and Voice and Sustainability and the Future. This has been completed and the new structures are currently being embedded.

The People Strategy has been developed around these key drivers of university strategy both to support the strategic objectives of the University and to continue to attract a diverse range of suitably skilled and highly qualified staff across all areas of its operation. For example, the Supported Internship Award is beginning soon for a third year building on the success of the two previous cohorts, Well-Being Champions are now in place throughout the University and we led in the regional university sector by providing three paid days of Carer's Leave out of the five statutory required days of unpaid leave available. This will be reviewed after twelve-months; in 2024 we have reviewed other sector-wide initiatives which were implemented in 2023, such as the Professional Boundaries Guidelines for Staff and Students and the reporting of Staff and Student Sexual Harassment Policies. These measures ensure we are implementing sector-wide requirements for staff and student safety and well-being in an open, transparent and stakeholder-informed way. To reflect the new approach the Personnel Team has now been renamed as People Services which more accurately highlights its position and purpose within the University.

We continue to ensure our colleagues are protected by appropriate risk assessments and access to health supporting initiatives like free flu jabs and occupational health

as well as free confidential counselling for all colleagues who request it. We continue to offer a wide range of compulsory and optional training programmes to colleagues with programmes as varied as Mental Health First Aider, Neurodiversity training and Dealing with Sexual Misconduct.

Suppliers

Procurement within the University is carried out in accordance with legal requirements, the University Financial Regulations and Procurement Policy. A carefully managed University that works efficiently and effectively delivering value-for-money is central to the University's Strategic Plan and our procurement activity supports that goal. Liverpool Hope University recognises that in order to achieve its ambitious strategic objectives, we need our suppliers to be on board.

When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Liverpool Hope University has a moral, ethical and social responsibility to consider the impacts of its activities on students, employees, wider stakeholder groups, as well as on the environment. In order for this to happen, all of our suppliers are given the opportunity to complete an on-line assessment tool to improve their environmental performance and ensure they are making a positive impact on society.

The University has enjoyed a number of successes including; working with our travel management company to promote sustainable and value for money travel options and our waste management company to increase staff and student engagement. We also work closely with our Estates suppliers to look at energy saving projects and initiatives.



Community Engagement

During 2023 - 24 the Community Engagement team has built on the previous years' work through the growth of projects and the expansion of the offer across the year. The primary goal for the CET seeks to make connections between people, creating opportunities to connect, share skills, find friendships and offer support. The CET is driven by a University-wide committee made up of colleagues from across faculties and professional services.

1. Thematic working groups

The development of thematic working groups has been implemented through the CET Committee to drive forward specific university agendas, particularly in relation to issues of inclusion and social justice.

One of the key focus areas for the working groups is social justice issues across the University. Recognising the contribution made by Professional and Campus Services teams to student and community engagement supports the People and Planet League Table status for Liverpool Hope University.

In 2024, colleagues published an academic paper based on research that originated within the CET exploring the cost of living crisis for students. This is a positive development and aligns with the goals for the CET over the next year, to engage further with participatory and community-based research.

2. Community events and activities

During 2023 – 24 the CET was engaged in the regular events that form part of the annual calendar, including;

Supporting Childwall Community Choir at various University events, supporting the open garden event with Childwall in Bloom; Working with Childwall Abbey School and Liverpool City Council's SPLICE project to run creative summer camps for young people; hosting a number of community conversations and consultation events; working with community members to 'Dance in Your Pants', fundraising for ovarian cancer; welcoming 80 people to the October Harvest Festival and Ceilidh; Christmas markets on campus; and community Christmas panto and choir concerts.

3. Partnerships

Strengthening links with partners not only supports our community driven goals, but has been an opportunity to showcase University facilities that can serve organisations in the region. Key partnerships include ChildwALL Together, Liverpool City Council through a Neighbourhood Manager, as well as links with local councillors, strategic leads, targeted youth support service, Voluntary, Community and Statutory Partnerships across Merseyside – Schools, Colleges, Museums, Arts and Cultural Organisations.

Members of the University Council

The following persons served as governors during the year ended 31st July 2024 or were members as at 20th November 2024 when these financial statements were approved. In the case of those who became or ceased to be governors during the year, the appropriate dates are shown.

The governors are generally appointed for a period of three years. Each year they sign a register of interests. All the members of the Council are Trustees of the University and directors of the Company.

Revd Canon P Winn	(Resigned 31st July 2024) Chair
Mrs J Beever	Vice-Chair/Chair from 1st August 2024
Ms Lesley Martin-Wright	Vice-Chair from 1st August 2024
Mr Tim Alderman	
Mr Nicholas Dawe	(Joined 23rd July 2024)
Dr Edwin Djabatey	
Revd Geoff Felton	
The Very Revered Dr Sue Jones	
Fr C. McCoy	
Mr J Norbury	
Ms Deborah Shackleton	
Mrs M Swinson	
Mr Steven Townley	(Joined 11th September 2023)
HH Judge Graham Wood QC	
Ms Anne-Marie Costello	(Resigned 7th September 2024)
Ms Jean Ellis	(Resigned 1st August 2023)
Revd Canon C Fallon	(Resigned 31st July 2024)
Dr A. Naylor	(Resigned 20th September 2023)
Mr U Russell	(Resigned 1st August 2023)
Ms Jemma Steven	(Joined 3rd July 2024)
Ms Erin Meharry	(Resigned 14th August 2023)
Ms Neve Rosser	(Resigned 3rd July 2024)
Dr Penny Haughan	
Professor Atulya Nagar	(Resigned 31st July 2024)
Ms Paula Raper	
Dr Caroline Wakefield	
Professor C Ozanne	Vice Chancellor and Rector
Mr D Dykins	Company Secretary and Clerk to Council

Vice-Chancellor Remuneration Committee

Mrs J Beever
Mr J Norbury
Mr S Townley
Revd Canon P Winn

Senior Salaries Remuneration Committee

Mrs J Beever
Mr J Norbury
Mr S Townley
Revc Canon P Winn
Professor C Ozanne
(except for discussion of her own salary)

Finance & General Purposes Committee

Mr J Norbury (Chair)
Fr C. McCoy
Ms Jean Ellis – ex officio
Ms D Shackleton
Mr N Dawes – ex officio
Professor C Ozanne

Audit Committee

Mr Steven Townley (Chair)
Ms J Beever
Ms L Martin-Wright
Ms S Suchoparek – ex officio

Nominations Committee

Revd Canon P Winn (Chair)
Professor C Ozanne
Mrs J Beever

Advisers

External Auditor:

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Bankers:

Lloyds Bank
Merchants Court
2-12 Lord Street
Liverpool
L2 XF

Santander
7th Floor
4 St Paul's Square
Liverpool
L3 9SJ

HSBC Bank
9th Floor
Royal Liver
Pier Head
Liverpool
L3 1HU

Barclays plc
48B & 50 Lord Street
Liverpool
L2 1TD

Rathbones
PO Box 1965
Liverpool
L69 3HU

Internal Auditor:

RSM Risk Assurance Services LLP
14th Floor, 20 Chapel Street
Liverpool
L3 9AG

Statement of Council responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Council is responsible for preparing the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the Council (the members of which are the Directors of the University company for the purposes of company law) to prepare financial statements for each financial year.

Under that law it has elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

Under company law the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and of their income and expenditure, gains and losses and changes in reserves, and of the University's cash flows for that period. In preparing the University financial statements, the Council is required to:

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that its financial statements comply with the Companies Act 2006.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

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

- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

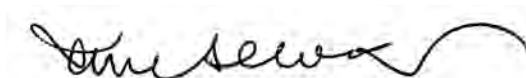
The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

While the following is not a specific recreation of the constitutional provisions within the Articles of Government, the principal responsibilities of Council, adopted in December 2005 and amended in May 2023, may be summarised as being:

1. To approve the educational character, mission and strategic vision of Liverpool Hope University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as Vice-Chancellor & Rector, for the academic, corporate, financial, estate and personnel management of the institution, and other responsibilities as detailed in the constitution, and keeping those functions under regular review.

3. 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.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
6. 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.
7. To safeguard the good name and values of Liverpool Hope University.
8. To appoint the head of the institution as Vice-Chancellor & Rector, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of Liverpool Hope University, to ensure that proper books of account are kept and resources used

- properly, effectively and efficiently, and to approve the annual budget and financial statements and have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all of the institution's legal obligations, including those arising from contracts and other legal commitments made in Liverpool Hope University's name.
 13. To make such provision as it thinks fit for the general welfare of students, in consultation with senate, and for the operation of the Students' Union under a constitution approved by council.
 14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of Liverpool Hope University.
 15. To ensure that Liverpool Hope University's constitution is followed at all times and that appropriate advice is available to enable this to happen.



Mrs Jane Beever

Director and Chair of Council
20th November 2024





Statement of Corporate Governance

This statement of corporate governance explicitly relates to the period 1st August 2023 – 31st July 2024, up to and including the date when the financial statements are approved.

The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education from the Committee of University Chairs in its Guide for Members of HE Governing Bodies in the UK. The University is committed to best practice in all aspects of corporate governance and conducts its business in line with the Office for Students (OfS) general ongoing conditions of registration. The University, through its arrangements for governance, is committed in a demonstrable way to the principles of academic freedom and equality of opportunity.

Liverpool Hope University is an incorporated body whose legal status is that of a company limited by guarantee, a registered charity and a University with taught and research awarding powers. Its objects, powers and framework of governance are set out in the articles of association which were approved by the Privy Council in 1996. The current version of the articles was approved by the Privy Council with effect from 20th

April 2005 and amended in 2023. The articles require Liverpool Hope University to have a governing body and a Senate, each with clearly defined functions and responsibilities to oversee and manage its activities.

The University Council is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members and the chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and the student body. No members of University Council receive any reimbursement for the work they do for that body.

Subject to the overall responsibility of the governing body, Senate has oversight of the academic affairs of Liverpool Hope University and draws its membership entirely from the staff and the students of the institution, save for 1 Network of Hope College Principal. It is particularly

concerned with general issues relating to the learning and teaching and research work of Liverpool Hope University.

The Chief Executive Officer (Vice Chancellor and Rector) is the head of Liverpool Hope University and has a general responsibility to the governing body for the organisation, direction and management of the institution. As Chief Executive, the head of the institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The University Senior Executive Team all contribute in various ways to these aspects of the work, working in close collaboration with the Vice Chancellor and University Council, which has ultimate responsibility for the University's strategic direction, education character and use of resources.

Members of University Council make an annual declaration of interests and further declare any interests in relation to matters under discussion at meetings. The University also makes an annual declaration on matters that confirm that they are "fit and proper" as defined under the Framework for the Office for Students.

University Council has adopted a Statement of Primary responsibilities reflecting sector guidance. This statement reflects the University Council's understanding of its responsibilities in relation to governance and internal control. In accordance with the articles of association, a secretary to the governing body has been appointed. The Company Secretary and Clerk to Council and the Solicitor & Senior Officer for Legal Services, Governance and Risk, provide independent advice on matters of governance to all members of University Council. Although the governing body meets four times per year, much of its detailed work is handled by committees, including Finance and General Purposes Committee, Audit Committee, Staffing Committee, Health and Safety Standing Committee, Nominations Committee and a Remuneration Committee. The decisions of the Committees are formally reported

to the full University Council by the respective chairs.

Regularity and propriety in the use of public funding is delivered through the overarching governance structure described above. Public funding of research has an additional layer of governance provided through the Research Committee which reports to Senate. The research Committee considers research strategy, policy, funding and scholarly activity. The University governance structure described above facilitates a transparent, adequate and effective system of governance. The structures, policies and processes can be viewed at: <https://www.hope.ac.uk/aboutus/governance/#:~:text=The%20governing%20body%20of%20Liverpool,company%20directors%20and%20charity%20trustees.>

Audit Committee

The Audit Committee meets four times per year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports including recommendations, for the improvement of the University's systems of internal control, management responses and implementation plans. It also reviews and tracks the University's progress against these plans and monitors the risk register. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee is empowered to meet the External and Internal Auditors on their own for independent discussions.

The overall opinion within the Internal Audit Annual Report for 2023/24 is that the University has an 'adequate and effective framework for risk management, governance, internal control and economy efficiency and effectiveness'. However, audit work has identified further enhancements to the framework of risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective. The Audit Committee noted that three audits resulted in substantial assurance, one resulted in partial assurance – for project procurement framework and

reasonable insurance for implementation. The internal audit of project management of the i3 building resulted in reasonable assurance.

Finance and General Purposes

The Finance and General Purposes Committee meet three times per year and maintains an oversight of the University's financial and capital development strategies and the financial policy framework.

Staffing Committee

The Staffing Committee is responsible for supporting the strategic direction, performance measurement and service development of the human resource function within the University. It also has an oversight of compliance with equal opportunities and other employment law matters.

Council Standing Committee on Health and Safety

The Committee develops and monitors the implementation of the University's Health and Safety Policy, Safety Management System and the associated procedures and codes of practice. It keeps under review the University's compliance with health and safety legislation and monitors trends in accidents and dangerous occurrences.

Remuneration Committee for University Senior Executive Team and Remuneration Committee for Vice Chancellor

The purpose is to determine and review the salaries, terms and conditions of the Head of the institution and such other members of staff as Council deems appropriate. These two Committees report annually to Council.

The Remuneration Committees aim to balance the safeguarding of public funds and the need to remain competitive by reference to the Committee of University Chairs HE Senior Staff Remuneration Code. Remuneration decisions are linked to the context in which the University operates and are made with reference to similar institutions, the level of complexity of the role regardless of size, and the responsibilities of the post holder in comparison to the size of the senior team, and the number of years a senior post holder has successfully served in that role.

Performance objectives are agreed with all senior staff by their line manager. The Remuneration Committees base their decisions on the annual performance of the senior staff, taking into account external benchmarks and the particular financial circumstances of the University.

The Remuneration Committee for the University Senior Executive Team comprises the Pro-Chancellor, the Chair of Audit Committee, the Chair of the Finance and General Purposes Committee, the Deputy Chair of University Council and the Vice Chancellor. The Committee meets annually to set the salaries of the members of the senior team.

The remuneration package of the Vice Chancellor is set by the Remuneration Committee for the Vice-Chancellor, which comprises the Pro-Chancellor, the Chair of Audit Committee and the Chair of the Finance and General Purposes Committee. The Vice Chancellor does not attend this meeting. The performance of the Vice Chancellor is monitored and assessed by regular meetings with the Pro-Chancellor and progress against a range of key performance indicators by which Council monitors the overall performance of the University.

Nominations Committee

The purpose is to seek out and recommend new lay/independent co-opted members to the appointing body, taking account of the current skills mix of Council and the diversity of the current membership.



Statement of Internal Control

This statement of internal control explicitly relates to the period 1st August 2023 - 31st July 2024, up to and including the date when the financial statements are approved.

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

- Clear definitions of the responsibilities of, and the authority delegated to, members of the University Senior Executive Team and other senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial performance involving variance reporting and updates of forecast outturns;

University Council has the responsibility for reviewing the effectiveness of the system of internal control. Consistent with the Risk Management Strategy approved, the following processes have been established:

- University Council meets four times a year to consider the plans and strategic direction of the institution.
- Periodic reports from the chairman of the Audit Committee concerning internal control are received together

with regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.

- A report on discussions of risk at the University Executive Board is delivered to Audit Committee who provides oversight on risk.

The Audit Committee receives regular reports from the internal auditor, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.

- Both local and an organisation-wide risk register is operational.
- Reports are received from budget holders and project managers on internal control activities.
- Policies such as the Code of Practice on Whistleblowing, Declarations of Interest, Financial and other Irregularities, including Fraud Policy and an Anti-Bribery Policy have been periodically reviewed and revised.

Control Weaknesses Identified

The annual review of the Internal Auditors indicated that the organisation has an adequate and effective framework for risk management, governance and internal control and economy, efficiency and effectiveness. Weakness in the project and procurement framework is being actively addressed.

Role of the External Auditor

The University external auditors perform an interim audit mid-year to review control procedures prior to year-end substantive testing. Throughout the year, communication between the University and external auditors is key critical to obtain reasonable assurance the University's financial information is free from material misstatement, fraud and errors.

Role of the Internal Auditor

The University's internal auditors continue to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. Both Internal and External auditors in attendance at the Audit Committee, they have to present their detailed plan for the forthcoming year. These plans are prepared in accordance with University requirements, regulatory requirements, accounting standards and direction of funding bodies.

Independent Auditor's Report to the Council of Liverpool Hope University

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Liverpool Hope University ("the University") for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows 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 University's affairs as at 31 July 2024, and of the University's income and expenditure, gains and losses and changes in reserves, and of the University'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 University in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the Council's conclusions, we considered the inherent risks to the University's business model and analysed how those risks might affect the 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 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 University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Council, the Audit Committee and inspection of policy documentation as to the University's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the University's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit Committee and Finance and General Purposes Committee minutes.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fees are generally based on standard fee rates and are non-variable in nature. We do not believe there to be an incentive or pressure to manipulate this or other income streams that are material as amounts received either typically relate to a single specific financial year or the source transactions are non-complex, involving little judgement.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and, where relevant, other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to cash with unexpected or unusual entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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 University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and related higher education legislation), taxation legislation and pensions 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 University 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. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students, recognising the nature of the University's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned

and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud 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 Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control. 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;
- in our opinion the information given in Strategic Report and Directors' Report, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the University, or returns adequate for our audit have not been received from branches not visited by us; or
- the University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Council responsibilities

As explained more fully in its statement set out on page 35, the Council (the members of which are the Directors of the University for the purposes of company law) 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 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 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 University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the University's expenditure on access and participation activities for the financial year disclosed in Note 10 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 University's grant and fee income, as disclosed in note 6 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

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

This report is made solely to the Council, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and

paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the 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.



**James Boyle (Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor**

Chartered Accountants

1 St Peter's Square, Manchester, M2 3AE

25 November 2024



Statement of Principal Accounting Policies

1. Basis of preparation

The University is a company limited by guarantee, and was incorporated on 26 November 1996. Under the terms of the Memorandum and Articles of Association, the members of the University Governing Council have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education (2019 edition), the Charities SORP (2019) and the Companies Act where appropriate. 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 during the transition period to 31 July 2019, 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 therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The fixed assets were valued at 31st July 2014, the University chose to freeze the valuation at that date and use the deemed cost going forward in accordance with FRS 102. Capital grants are accounted for using the performance model as opposed to the accruals model. A requirement for holiday pay involves an accrual for unused annual leave as an expense. Pension fund changes relate to interest computations and the inclusion of the USS scheme.

2. Going Concern

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

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

The University have prepared a cash flow forecast for a period up to July 2026. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period

of 12 months from the date of approval of the financial statements (the going concern assessment period).

The University has prepared a financial model and cash flow forecasts for a period up to July 2026 which takes account of severe but plausible scenarios. After reviewing the assumptions underpinning these forecasts, the Council is of the opinion that the University will have sufficient funds to meet their liabilities as they fall due, over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic but not unrealistic assumptions to demonstrate going concern, reduction in recruitment, inflationary increases in relation to staffing and general inflation and Utility costs. Even on this basis, liquidity levels are forecast to remain strong despite funding the committed capital programme from cash reserves.

Consequently, the Council is confident that the 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.

3. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the deemed cost of certain fixed assets.

4. Basis of consolidation

The financial statements include the University only as there are no trading subsidiaries in existence.

The financial statements do not include those of Liverpool Hope Students' Union as it is a separate organisation in which

the University has no control or significant influence over policy decisions.

5. Format of the accounts

The directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

6. Recognition of income

The recurrent grants from the Office for Students (OfS) and Engineering and Physical Sciences Research Council (EPSRC) represent the funding allocation which is attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Grants intended to support the acquisition of tangible fixed assets are credited to the statement of comprehensive income when the University becomes entitled to them, subject to any performance related conditions being met.

Tuition fees represent student fees received and receivable attributable to the current accounting period.

Income to which the University is entitled from research grants and contracts is released to the statement of comprehensive income in proportion to the degree of completion of the associated activity, with reference to expenditure. The University uses the accruals method of accounting for research grants and contracts.

The University acts as an agent in the payment of training bursaries from the Department of Education. Related payments received and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in note 19.

7. Retirement benefits

The University operates a defined benefit scheme for staff, the Enhanced Pension Provision (EPP). The scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P).

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 Statement of Comprehensive Income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and have maturity dates approximating to the terms of the University obligations. When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past services costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes account of the adverse effect of any minimum funding requirements.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University members due to the nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for liabilities and charges for any contractual commitment to fund past deficits within the USS scheme (Note 23).

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees.

The principal schemes for the University's staff are the Teacher's Pension Scheme (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF) for non-academic staff. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the scheme are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employee's working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries.

IFRIC 14: limit on Defined Benefit Asset

The standard limits the measurement of the defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or a reduction in future contributions to the plan.

For both LGPS schemes the University has set a limit of 50 employees to determine the long-term viability of the scheme. If the scheme falls below 50 members we

recognise a 'short term' approach and calculate the present value of future projected service costs over the term determined by the difference between the average employee age and the normal retirement age. If the scheme remains above 50 members we recognise a 'perpetuity' approach and calculate the projected service costs in perpetuity.

Merseyside Pension Fund

There are 5 members in the pension scheme with an average age of 59. Although the scheme is 'open' the University does not necessarily encourage new employees to opt into MPF as the preferred pension fund. Three of the members to MPF have been transferred in rather than opted to join. For calculation purposes we have assumed the employees will retire at the age of 67 and therefore calculations this year are based on 8 years (average age (59) to retirement age (67)). Given the low membership of the scheme, and therefore uncertain future membership, MPF has been treated as a closed scheme

Greater Manchester Pension Fund

GMF is the preferred pension fund for Professional Services staff, new employees joining the University pension fund are automatically included within GMF. The actuary report confirms the active members in the fund is 350 (at 31st March 2022), the University calculates 349 active members at the end of July 2024 which demonstrates continuing membership. For calculation purposes we have assumed this fund will continue in perpetuity.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense during the year in which the employees render service to the organisation. Any unused benefit is accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Maintenance of premises

The cost of routine corrective maintenance is charged to the Statement of Comprehensive Income as incurred.

10. Operating Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income as incurred on a straight-line basis over the lease term.

11. Provisions

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

The calculation of the cost of early retirement provisions charged to the statement of comprehensive income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 2.5% in excess of price inflation.

An amount is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. (See note 23).

12. Fixed assets

In 1980 the two former colleges, St. Katharine's and Christ's and Notre Dame, entered into a Deed of Adherence with the Liverpool Institute of Higher Education under which they provided their respective properties to the Institute. These were superseded in 1998 by similar Deeds of Arrangement of Membership with Liverpool Hope.

St. Katharine's College (Warrington Training College Incorporated), was granted a 99 year lease in 1963 from the Central Board of Finance of the Church of England for the properties provided to the Institute under the Deed of Adherence. The lease is renewable upon request for a second and final 99 years from 2062.

Christ's and Notre Dame College property is owned by the Trustees of Christ's and Notre Dame College. Under the Deed of Adherence, the property of the College was made available for the use of the Institute. These buildings have been included on the Statement of Financial Position since 2004/05 to reflect the fact that the University carries the majority of the benefits and liabilities of the buildings.

Under the terms of the Deed of Adherence, neither College shall withdraw from Liverpool Hope without the agreement of the remaining College and the consent of the Secretary of State for Education.

Subject to the appropriate agreements, written notice must be given at least five years prior to any withdrawal and, in the first instance, may only be given to expire no earlier than 31st August 2024.

Within the Trust Deed and the Deeds of Adherence between the Colleges and the Institute, those elements of the tangible fixed assets which are additions and/or improvements to buildings also become the property of the respective College Trustees.

Fixed assets land and buildings were subject to a full revaluation as at 31st July 2014 under a policy of periodic reappraisal at least every five years. The revaluation was undertaken by Eddisons, a firm of chartered surveyors and the basis of valuation has varied depending upon the nature of the property. The majority of properties were valued on a depreciated replacement cost basis, others such as St Michaels & St Julies at Aigburth and Gerard Manley Hopkins at Everton at market value. The accounting policy hitherto had been to revalue all land and

buildings within a class of revalued assets.

The revaluation carried out as at 31st July 2014 will serve henceforth as deemed cost in accordance with the SORP and no further revaluations will be taking place.

Where buildings are acquired with the aid of specific grants the assets are capitalised and depreciated on the basis shown below. The related grants are treated as income and released to the statement of comprehensive income within the year in which the grant is received.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. During the year demolition of the Security Lodge is considered an indication of impairment and an accelerated depreciation charge will be included. An annual impairment review is also carried out annually across the Estate.

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

Building refurbishment works are capitalised subject to a minimum threshold of £20,000 per refurbishment project. Such costs are not depreciated until the works are completed. Costs of refurbishment projects costing less than £20,000 are written off to the Statement of Comprehensive Income in the period in which they are incurred.

Equipment costing less than £10,000 per individual item or group of related items constituting a single suite of equipment is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic lives as follows, and a full year's depreciation is charged in the year of acquisition or transfer:

Land & Buildings

Buildings existing at 31st July 2014
(As estimated)*

New buildings	50 years
Building refurbishments (greater than £20,000)	10-30 years

Vehicles

Motor vehicles	5 years

Equipment

Computer equipment	5 years
Furniture & fittings	10 years

*As part of the revaluation carried out on 31st July 2014, the estimated useful lives of the existing buildings were reassessed in consultation with the firm of chartered surveyors who had carried out the revaluation. Estimates varied from building to building, ranging from a minimum of 10 years to a maximum of 60 years.

13. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 exclusively for charitable purposes. Subsidiary companies are liable for corporation tax for charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT

charged as inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

14. Bursaries and Scholarships

The University provides bursaries and scholarships to students from its own revenue funds. These bursaries and scholarships are shown in the Statement of Comprehensive Income, as expenditure, and not deducted from income.

The University also distributes bursaries on behalf of the Department of Education in relation to Teacher Training. The University only acts as agent and has no interest in these funds. As such, these transactions are not recognised in the Statement of Comprehensive Income.

15. Cash Flows, Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash Equivalents are short term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the University's Treasury Management activities and policies.

16. Finance Leases

Fixed assets held under hire purchase agreements and the related hire purchase obligations are recorded in the balance sheet and these assets are depreciated over their useful life. As at 31st July 2024 the University held no such assets.

17. Accounting Estimates and Judgements

Preparation of financial statements requires management to make estimates, judgement and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and judgements are continually evaluated and are based on professional advice, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Impairments: Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Recoverability of Debtors: The provision for bad debts is based on our estimate on the expected recovery of the debt. Assumptions are made based on the level of debtors who have defaulted historically.

Pensions: The University operates 3 defined benefit pension schemes, the Teacher's Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF). The present value of the University obligations is dependent on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet. This does not include an obligation to make contributions to fund past deficit payments.

18. Financial Instruments

The University's principal financial instruments are cash, investments and loans. The core objective of these instruments is to meet the financing needs of the University's operations. The fair value of each category of University's financial instruments are the same as their carrying value in the statement of financial position. The University has adopted to apply the provisions of both Section 11 and Section 12 of FRS102 in full.

Statement of Comprehensive Income

Year ended 31st July 2024

	Note	2024 £	2023 £
Income			
Funding council grants	1	3,834,004	3,766,741
Tuition fees and short course fees	2	43,618,052	46,673,547
Research grants and contracts	3	195,221	202,846
Other operating income	4	7,447,256	6,640,797
Investment income	5	1,854,155	959,492
Total Income		56,948,688	58,243,423
Expenditure			
Staff costs	7	36,468,544	36,452,253
Other operating expenses	8	15,893,559	14,229,394
Depreciation	12	5,033,384	4,490,251
Interest and other finance costs	9	177,274	762,323
Total expenditure	11	57,572,761	55,934,221
Operating (deficit)/surplus		(624,073)	2,309,202
Actuarial gain in respect of pension scheme		5,091,294	13,230,452
Total comprehensive income for the year		4,467,221	15,539,654
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		4,467,221	15,539,654

Statement of Changes in Reserves

Year ended 31st July 2024

	Unrestricted Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 1 August 2023	136,406,938	29,563,739	165,970,677
Operating deficit	(624,073)	-	(624,073)
Actuarial gain in respect of pension scheme	5,091,294	-	5,091,294
Transfers	883,360	(883,360)	-
Balance at 31 July 2024	141,757,519	28,680,379	170,437,897

Statement of Changes in Reserves

Year ended 31st July 2023

	Unrestricted Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 1 August 2022	119,939,885	30,491,136	150,431,021
Operating surplus	2,309,202	-	2,309,202
Actuarial gain in respect of pension scheme	13,230,452	-	13,230,452
Transfers	927,398	(927,398)	-
Balance at 31 July 2023	136,406,938	29,563,739	165,970,677

Statement of Financial Position

Year ended 31st July 2024

	Note	2024 £	2023 £
Non-current assets			
Tangible assets	12	137,147,225	133,719,104
Pension asset	24	19,643,000	15,112,000
		156,790,225	148,831,104
Current assets			
Debtors	13	2,066,062	2,064,731
Cash at bank and in hand Investments	14	12,154,694 9,500,000	19,100,566 10,000,000
		23,720,755	31,165,297
Creditors: amounts falling due within one year	15	(7,543,572)	(10,073,649)
Net current assets		16,177,183	21,091,648
Total assets less current liabilities		172,967,408	169,922,752
Creditors: amounts falling due after more than one year	16	(2,472,711)	(2,845,389)
Provisions for liabilities and charges	23	(56,800)	(1,106,686)
Total net assets		170,437,897	165,970,677
Unrestricted Reserves:			
Income and expenditure reserve		141,757,519	136,406,938
Revaluation reserve		28,680,378	29,563,739
Total funds		170,437,897	165,970,677

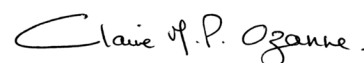
The financial statements on pages 58 to 86 were approved by the University Council on 20th November 2024, and signed on its behalf by:



Mr J Norbury
Chair of Finance & General
Purposes Committee



Mrs J Beever
Chair of University Council



Professor C Ozanne
Rector & Vice Chancellor

Statement of Cash Flows

Year ended 31st July 2024

	2024	2023
	£	£
Cash flow from operating activities		
(Deficit)/Surplus for the year	(624,073)	2,309,202
Adjustment for non-cash items		
Depreciation	5,033,384	4,490,251
Investment income	(1,854,155)	(959,492)
Interest payable	177,274	762,323
(Increase)/Decrease in Debtors	(1,331)	(146,639)
Increase/(Decrease) in Creditors	(2,550,092)	(2,616,400)
Increase/(Decrease) in Provisions	(11,597)	(11,316)
Pension costs	298,000	973,000
Adjustment for investing or financing activities		
Capital grants utilised in year	(441,068)	(235,602)
Net cash inflow from operating activities	26,342	4,565,327
Cash flows from investing activities		
Capital grants received	441,068	235,602
Payments to acquire fixed assets	(8,461,505)	(14,550,849)
(Gain) / Loss on tangible fixed assets	-	(51,432)
Proceeds from sale of tangible fixed assets	-	92,475
Withdrawal/ (New) Deposits	500,000	12,750,000
	(7,520,437)	(1,524,204)
Cash flows from financing activities		
Other interest received	1,075,287	844,492
Interest paid	(174,401)	(722,586)
Repayments of borrowed amounts	(352,662)	(331,697)
	548,224	(209,791)
(Decrease)/Increase in cash	(6,945,873)	2,831,332

Notes (forming part of the financial statements)

1. Funding council grants

	2024	2023
	£	£
Recurrent Grant – OfS	1,500,210	1,517,775
Specific		
Engineering and Physical Sciences Research Council - EPSRC	1,447,246	1,553,111
Higher Education Innovation Fund	499,485	466,414
OfS Hardship Fund	-	58,839
EPSRC Special initiatives	322,349	120,000
ITT Accreditation	32,514	-
Capital Grants	32,200	50,602
	3,834,004	3,766,741

2. Tuition fees and short course fees

	2024	2023
	£	£
Full-time students	38,860,684	41,293,537
Full-time students charged overseas fees	2,389,852	2,898,577
Part-time students	546,349	672,723
	41,796,885	44,864,837
Short course fees	1,821,168	1,808,710
Total	43,618,052	46,673,547

3. Research grants and contracts

	2024	2023
	£	£
Research councils	14,468	-
Research charities	63,909	10,359
Industry and commerce	34,744	103,851
Other	82,100	88,636
Total	195,221	202,846

4. Other operating income

	2024	2023
	£	£
Residences, catering and conferences	6,164,868	6,164,872
Other income	735,704	390,925
Capital Grants – (Salix)	546,684	85,000
	<u>7,447,256</u>	<u>6,640,797</u>

Note: Salix grants: 2023/24 £441,068 Capital, £106,616 Revenue. 2022/23 £85,000 Capital.

5. Investment income

	2024	2023
	£	£
Interest receivable	<u>1,854,155</u>	<u>959,492</u>

6. Grant and fee income

	2024	2023
	£	£
Grant income from the OfS	1,500,210	1,517,775
Grant income from other bodies	2,333,794	2,248,966
Fee income for taught awards (exclusive of VAT)	42,029,775	45,300,694
Fee income for research awards (exclusive of VAT)	298,877	207,908
	<u>46,162,656</u>	<u>49,275,343</u>
Total		

Note: excludes research grants and contracts as they are shown separately in Note 3

7. Staff costs (including directors' emoluments)

	2024	2023
	£	£
Wages and salaries	27,729,629	27,547,817
Social security costs	2,840,898	2,750,423
Other pension costs	5,751,325	5,320,725
FRS102 staff pension adjustments	146,692	833,288
	<u>36,468,544</u>	<u>36,452,253</u>
Total		

The average numbers of staff employed by the University (FTE)

	2024	2023
	Number FTE	Number FTE
Academic	309	314
Administrative and technical	231	228
Manual and ancillary	102	102
Total	642	644

Emoluments of the Vice-chancellor & Rector

	23/24	22/23	22/23	22/23
	Prof Claire Ozanne	Prof Claire Ozanne	Dr Penny Haugan	Prof Gerald Pillay
	£	£	£	£
Salary	250,000	104,167	28,775	152,330
Benefits (Company Car)	-	-	-	2,773
Pension	63,367	19,733	3,053	36,072
Total	313,367	123,900	31,827	191,175
		From 1 March 2023	*Interim VC 1-28 February	To 31st January 2023

The emoluments of the Vice-chancellor & Rector are shown on the same basis as for higher paid staff (excluding employer's social security contributions). The University's pension contributions to the Teachers' Pension Scheme are paid on behalf of the Vice-Chancellor & Rector at the same rate as for other academic staff (23.68%).

Historically, the Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005

dependent on satisfactory performance. This recognises the experience of Professor Pillay as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

The median salary has been calculated in accordance with the guidance provided by the OfS, determining the full-year, full-time equivalent for each worker employed during the year and ranking them from high to low. In the absence of specific guidance for determining the mid-point

value within this list, the University has chosen to do so by making a cumulative total of the full-time equivalent fraction (FTE) for each worker and then finding the midpoint of that cumulative total, thus taking full account of the relative statistical significance of individual workers according to their FTEs.

All payments to Directors are in respect of services as members of staff and relate to the period of office. Where appropriate these emoluments are also included in the bands for higher paid staff.

Doctor Penny Haughan

Basic Salary Ratio 2024: not applicable (2023: £38,974: 8.86 times)

Total Remuneration Ratio 2024: not applicable (2023: £47,701: 8.11 times)

Professor Claire Ozanne

Basic Salary Ratio (Based on a median pay rate of £39,347): 6.35 times (2023: £38,974: 6.36 times)

Total Remuneration Ratio (Based on a median pay rate of £49,320): 6.35 times (2023: £47,071: 6.27 times)

Professor Gerald Pillay

Basic Salary Ratio 2024: not applicable (2023: £38,974; 7.82 times)

Total Remuneration Ratio 2024: not applicable (2023: £47,071: 8.12 times)

The number of the staff, including senior post-holders and the Vice Chancellor & Rector, who received remuneration excluding employer pension contributions in the following ranges was:

	2024 Number	2023 Number
£100,000 - £104,999	3	2
£105,000 - £109,999	-	1
£110,000 - £114,999	2	1
£135,000 - £139,999	1	1
£150,000 - £154,999	1	-
£155,000 - £159,999	-	1
£170,000 - £174,999	-	1
£250,000 - £254,999	1	-
	8	7

Key Management Personnel

2024 Number	2023 Number
1,071,838	1,157,817

While administration of the University is controlled and managed by the University Council, the day to day operations are conducted by the University Senior Executive Team, the Academic Leadership Team and the Operational Leadership Team. The figure disclosed comprises total gross salaries of the University

Senior Executive Team excluding employer's pension and national insurance contributions.

Severance Payments - Payments were made to 14 individual members of staff equating to £402,247.

8. Other operating expenses

	2024	2023
	£	£
Residences, catering and conference operating expenses	710,251	714,206
Teaching departments	2,566,356	2,371,184
Books and periodicals	582,702	574,099
Heat, light, water and power	2,900,495	2,003,723
Repairs and general maintenance	1,743,975	1,961,164
Grants to Liverpool Hope Students' Union	273,000	260,000
External auditors' remuneration	157,760	111,718
Other support services	596,688	650,951
Administration and central services	4,393,558	3,585,318
Other income generating activities	340,097	535,622
Other operating expenses	1,628,595	1,460,576
Reimbursement of Trustees' expenses	82	833
	15,893,559	14,229,394

In 2023/24 the Trustees' expenses related to travel amounted to £82 (2022/23 - £833).

	2024	2023
	£	£
External auditor's remuneration in respect of audit services	120,000	103,968
Audit related assurance services	37,760	9,000
	157,760	111,718

9. Interest and other finance costs

	2024	2023
	£	£
Interest payable on bank loans not wholly repayable within five years	174,401	195,366
Pension fund interest payable	2,873	39,736
Interest payable on finance lease	-	527,221
	177,274	762,323

10. Access and Participation

	2024	2023
	£	£
Access Investment	559,227	460,217
Financial Support	216,283	400,217
Disability Support	634,921	632,547
Research and Evaluation	-	-
	1,410,431	1,492,981

As a small institution, the access and participation activities are embedded within the operations of the University and cannot be easily identified as stand-alone costs for the target student population. For some of the categories of expenditure these are subjective in nature. Therefore, the total costs are used and then a percentage of these costs shown as countable expenditure: 61% for Access Investment as this is the average percentage of our students who fall into the APP countable category, Financial Support includes 65% of Learning Support

Fund plus an uplift of 25% on staff costs for overheads, Disability Support cost is uplifted by 25% for overheads.

£869,157 of these costs relates to staff costs and have already been included in the overall staff expenditure figure in note 7.

https://www.hope.ac.uk/media/aboutus/governancedocuments/LiverpoolHopeUniversity_APP_2020-21_V1_10003956%20submitted%2002-02-21.pdf

11. Analysis of expenditure

	Staff costs	Depreciation	Interest payable	Other operating expenses	Total
	£	£	£	£	£
Academic departments	23,205,873	-	-	2,566,356	25,772,229
Academic support services	2,064,327	-	-	1,680,441	3,744,768
Other support services	1,642,458	-	-	869,688	2,512,145
Administration and central services	4,473,427	-	-	4,551,400	9,024,827
General education expenditure	-	-	-	52,954	52,954
Premises	3,270,573	-	-	5,122,373	8,392,946
Other income generating activities	393,621	-	-	340,097	733,718
Residences, catering and conferences	1,271,573	-	-	710,250	1,981,823
Depreciation	-	5,033,384	-	-	5,033,384
Interest payable	-	-	177,274	-	177,274
FRS 102 pension costs adjustment	146,692	-	-	-	146,692
Total per statement of comprehensive income	36,468,544	5,033,384	177,274	15,893,559	57,572,761

12. Fixed Assets

	Assets in the course of construction	Land and Buildings	Equipment	Vehicles	Total
	£	£	£	£	£
Deemed cost					
At 1 August 2023	10,586,618	150,179,352	13,364,428	124,250	174,254,648
Additions at cost	6,008,417	1,415,375	978,792	58,920	8,461,504
Disposals at cost	-	-	-	-	-
Transfers	(14,799,683)	14,799,683	-	-	-
At 31 July 2024	1,795,352	166,394,410	14,343,220	183,170	182,716,152
Depreciation					
At 1 August 2023	-	30,717,426	9,720,689	97,429	40,535,544
Eliminated on disposals	-	-	-	-	-
Charge for the year	-	4,145,282	867,377	20,725	5,033,384
At 31 July 2024	-	34,862,707	10,588,067	118,154	45,568,928
Net book value					
At 31 July 2023	10,586,618	119,461,926	3,643,739	26,821	133,719,104
At 31 July 2024	1,795,352	131,531,703	3,755,153	65,017	137,147,225

Included in the 2023 net book value of land and buildings was £7,543,437 which related to Gerard Manley Hopkins Hall, formerly held under a hire purchase agreement. This included a net premium of £2,673,097 paid in July 2023 to acquire the unencumbered freehold. This net premium was treated as an addition to land and

buildings. The net premium consisted of £9,000,000 less the outstanding hire purchase creditor.

Fixed assets include £8,921,000 in relation to land. The land has not been depreciated in the accounts.

13. Debtors

	2024 £	2023 £
Amounts falling due within one year		
Trade debtors	1,123,273	943,116
Sundry debtors	35,728	29,056
Prepayments and accrued income	907,060	1,092,559
	2,066,061	2,064,731

14. Investments

	2024 £	2023 £
Deposits maturing in one year or less	9,500,000	10,000,000

Two fixed term deposits with Santander for £5,000,000 and £4,500,000.

15. Creditors: amounts falling due within one year

	2024 £	2023 £
Loans	372,676	352,661
Trade creditors	1,236,058	2,659,119
Social security and other taxation payable	1,387,461	1,401,051
Accruals and deferred income	4,547,377	5,660,818
	7,543,572	10,073,649

16. Creditors: amounts falling due after more than one year

	2024 £	2023 £
Loans secured on residential and other property repayable by 2030	2,472,711	2,845,389
	2,472,711	2,845,389
Analysis of secured and unsecured loans:	2024 £	2023 £
Due within one year or on demand (Note 15)	372,676	352,661
Due between one and two years	394,378	372,676
Due between two and five years	1,325,729	1,252,592
Due in five years or more	752,604	1,220,121
Debt due after more than one year	2,472,711	2,845,389
Total secured and unsecured loans	2,845,387	3,198,050

Interest/terms on loans:

	Original Value £	Interest rate %	Basis	Number of years remaining
Student accommodation	8,300,000	5.72 1.10	£7m Fixed £1.3m Variable	7

The loan relates to student accommodation and is secured on the relevant asset of the University. The loan will be repaid by instalments over the period of the loan.

17. Reconciliation of cash flow to Statement of Financial Position

	2023 £	Cash flows £	2024 £
Cash at bank	19,100,566	(6,945,873)	12,154,694

18. Capital and other commitments

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

	2024 £	2023 £
Capital commitments	1,104,725	6,288,983

19. Training bursary payments

	2024 £	2023 £
Grant paid by Department of Education (DfE)	2,150,600	967,500
Payments to trainees	(2,136,600)	(991,400)
Grant due to/(from) DfE at end of year	14,000	(23,900)

During the year the University administered the Training Bursary Scheme for PGCE students. The University acts only as paying

agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

20. Related party disclosures

Due to the nature of the University's operations and the composition of the University 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 Board may have an interest. All transactions involving organisations in which a member of the board of governors may have an

interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Council members declare their interests and the University updates the register of interests annually.

Included in the financial statements are the following transactions with related parties:

	Income £	Expenditure £
Rev Peter Winn Chair of Governing Body, St Margaret's C of E Primary School	-	300
Fr Christopher McCoy Governor, Holy Spirit Primary School	1,386	-
Dr Penny Haughan Chair of Governors, Locking Stumps Community Primary School	15,096	-
Ms Lesley Martin-Wright Company Secretary, Knowsley Chamber of Industry & Commerce	-	7,200

The nature of expenditure transactions relates to payments to schools on behalf of students all payments with the exception of £7,200 to Knowsley Chamber of Commerce,

were made during the financial year 2023/24 and there were no debtors or creditors at the year end.

21. Connected Charitable Institutions

The University is connected to one charitable institution, Liverpool Hope Carter Preston Foundation which was set up in its current state in April 2012. The University appoints two of the trustees. The Foundation has minimal income and expenditure related

to its investments and administration. The net book value of Heritage assets on the Statement of Financial Position were £305,270 and the Foundation had £31,005 in its current account as at 31 July 2024.

22. Provisions for liabilities and charges

	Obligation to fund deficit on USS pension £	Pension enhancement on termination £	Total pension provision £
At 1st August 2023	1,049,224	57,462	1,106,686
Movement in year	(38,553)	(11,597)	(50,150)
Interest cost	24,132	2,873	27,005
Actuarial gain	(1,034,803)	8,062	(1,026,741)
	<u>-</u>	<u>56,800</u>	<u>56,800</u>

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 that was put in place as part of the 2020 valuation. As set out in Note 20, no deficit recovery plan was required under the 2023 valuation

because the scheme was in a surplus on a technical provisions basis. The institution is no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of comprehensive income.

23. Pension and similar obligations

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Greater

Manchester Pension Fund (GMPF) and the Merseyside Pension Fund (MPF) for non-academic staff. The total pension cost for the period was £5,751,325 (2023: £5,332,486).

	2024 £	2023 £
As at 1 August	(15,112,000)	(2,862,000)
(Decrease)/Increase in liability	(4,531,000)	(12,250,000)
As at 31st July	(19,643,000)	(15,112,000)
The University's pension (asset)/ liability is analysed as follows:	£	£
Greater Manchester Pension Fund	(19,281,000)	(14,781,000)
Merseyside Pension Fund	(362,000)	(331,000)
	(19,643,000)	(15,112,000)

Accounting Surplus

LGPS surplus can only be recognised to the limit of the present value of the projected future service rates. The GMPF surplus of £19,281k can be fully recognised as the present value of projected services costs is greater than the surplus, the fund is open to new members and is therefore valued in perpetuity. The MPF actuary, Mercer, provided a valuation of the schemes present value of future accounting service costs in the case of both closed and open schemes. Given the low membership of the scheme, and therefore uncertain future membership, MPF has been treated as a closed scheme and the accounting surplus has been limited to £362k as per the Mercer report.

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 26 October 2023. The key results of the valuation are:

- employer contribution rates were set at 28.6% of pensionable pay;
- total scheme liabilities for service to the effective date of £262.0 billion, and notional assets of £222.0 billion, giving a notional past service deficit of £39.8 billion
- an employer cost cap of 10.9% of pensionable pay.

The employer contribution rate for the TPS was implemented in April 2024.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

TPS 31 March 2020 Actuarial Valuation Report

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2024.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive

when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2024.

The pension costs paid to TPS in the year amounted to £3,506,527 (2023: £3,109,001).

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded defined benefit scheme, with the assets held in a separate trustee administered fund.

The total contribution made for the year ended 31 July 2024 was £2,665,000 of which employer's contributions totalled £1,986,000 and employee's contributions totalled £679,000. The agreed contribution rates for future years are 19.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The CPI assumption has been adjusted to recognise the impact of the 2024 PI Order and its medium and long term effects on discount rates and inflation. The CPI assumption has been updated to make allowance for inflation experience since October 2023 being higher than assumed. This adjustment has resulted in the CPI assumption being 0.5% p.a. lower at short durations (less than 17 years), and no change at medium durations (between 17 and 23 years) and at long durations (more than 23 years), compared to the assumption that would have been derived using the methodology adopted at 31 July 2022.

The following information is based upon a full actuarial valuation of the fund as 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

	2024	2023	2022
Rate of increase in salaries	3.55%	3.80%	3.45%
Rate of increase in pensions in payment/inflation	2.75%	3.00%	2.70%
Discount rate for liabilities	5.00%	5.05%	3.50%
Commutation of pension to lump sums	50.00%	50.00%	55.00%

The mortality assumptions as at 31 July 2024 include sufficient allowance for future improvements in mortality rates in line with the latest Continuous Mortality Investigation

(CMI) The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the latest triennial valuation.

	At 31 July 2024	At 31 July 2023	At 31 July 2022
Retiring today			
Males	20.20	20.20	20.30
Females	23.70	23.70	23.20
Retiring in 20 years			
Males	21.10	21.20	21.60
Females	24.70	24.70	25.10

The sensitivities regarding the principal assumptions used to measure the scheme obligations are:

Change in assumptions at 31 July 2024	Approximate% Increase to DBO	Approximate monetary amount
		£000
0.1% decrease in Real Discount Rate	2%	1,241
1 year increase in member life expectancy	4%	2,404
0.1% increase in the Salary Increase Rate	0%	71
0.1% increase in the Pension Increase Rate (CPI)	2%	1,194

The University's share of assets in the scheme (which is estimated at less than 1% of total scheme assets) and the estimated rates of

return (are based on actual returns to 30th June 2024 and adjusted to calculate the estimated returns as at 31st July 2024) were:

	Value at 31 July 24	Value at 31 July 23	Value at 31 July 22
	£000	£000	£000
Equities	54,777	50,886	48,152
Bonds	11,908	10,034	10,622
Property	6,351	5,734	6,373
Cash	6,351	5,017	5,665
Share of total market value of assets	79,387	71,671	70,812
Present value of scheme liabilities			
- Funded	(60,085)	(56,868)	(68,268)
- Unfunded	(21)	(22)	(24)
Surplus/(Deficit) in the scheme	19,281	14,781	2,520

Analysis of the amount charged to the Statement of Comprehensive Income

	2024	2023	2022
	£000	£000	£000
Current service cost	(1,847)	(2,807)	(4,975)
Past service cost (including curtailments)	(394)	(12)	(50)
Total service cost	(2,241)	(2,819)	(5,025)

Analysis of pension finance income

	2024	2023	2022
	£000	£000	£000
Interest income on plan assets	3,641	2,495	1,042
Interest cost on defined benefit obligation	(2,901)	(2,423)	(1,567)
Total net interest	740	72	(525)
Total defined benefit recognised in the statement of comprehensive income	(1,501)	(2,747)	(5,550)

Movement in deficit during year

	2024	2023
	£'000	£'000
Surplus/(Deficit) in scheme	14,781	2,520
Movement in year:		
Current service charge	(1,847)	(2,807)
Past service charge (including curtailments)	(394)	(12)
Net interest / return on assets	740	72
Contributions	1,986	1,911
Remeasurements recognised in the Statement of Comprehensive income	4,015	13,097
Surplus/(Deficit) in scheme at end of year	19,281	14,781

History of experience gains or losses

	2024 £	2023 £	2022 £	2021 £	2020 £
Return on assets excluding amounts included in net interest	3,204	(2,699)	4,134	9,903	(3,826)
Value of Assets	79,387	71,671	70,812	64,700	53,058
% of scheme assets	4.04%	(3.77%)	5.84%	15.31%	(7.21%)
Experience gains and losses on scheme liabilities	(811)	(15,796)	(33,430)	9,266	4,925
Total present value of liabilities	(60,106)	(56,890)	(68,292)	(95,888)	(81,975)
% of Total present value of scheme liabilities	1.35%	27.77%	48.95%	(9.66%)	(6.01%)
Actuarial gain/(loss) recognised in statement of comprehensive income	4,015 (6.68%)	13,097 (23.02%)	37,564 (55.00%)	637 (0.66%)	(8,751) 10.68%
% of the present value of liabilities					

Merseyside Pension Fund (MPF)

The MPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2024 was £170,000 of which employer's contributions totalled £153,000, £151,000 of this was offset by deficit contributions credits and employees' contributions totalled £17,000.

The agreed contribution rates for future years are 64.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

	2024	2023	2022
Rate of increase in salaries	4.20%	4.20%	4.20%
Rate of increase in pensions in payment/inflation	2.80%	2.80%	2.80%
Discount rate for liabilities	4.90%	5.30%	3.40%
Commutation of pension to lump sum	50.00%	50.00%	50.00%

The mortality assumptions as at 31 July 2024 include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 this is mainly because there remains uncertainty of the Covid-19 impact on long term mortality rates for pension scheme

members. This will be monitored in future periods and will be updated as appropriate. The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the latest triennial valuation.

	At 31 July 2024	At 31 July 2023	At 31 July 2022
Retiring today			
Males	20.80	20.80	20.90
Females	23.40	23.30	24.00
Retiring in 20 years			
Males	22.00	22.10	22.40
Females	25.10	25.10	25.90

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the estimated rates of return (are

based on actual returns to 30th June 2024 and adjusted to calculate the estimated returns as at 31st July 2024) were:

	Value at 31 July 24	Value at 31 July 23	Value at 31 July 22
	£000	£000	£000
Equities	2,713	2,980	3,020
Bonds – government	1,155	865	1,772
Bonds – other	396	269	661
Property	574	688	670
Cash & other	1,762	1,749	2,042
IFRIC14 surplus adjustment	(745)	(859)	(896)
Total market value of assets	5,855	5,692	7,269
Present value of scheme liabilities			
- Funded	(5,490)	(5,356)	(6,923)
- Unfunded	(3)	(5)	(4)
	362	331	342

Analysis of the amount charged to the Statement of Comprehensive Income

	2024	2023	2022
	£000	£000	£000
Employer service cost (net of employee contributions)	(44)	(66)	(62)
Past service cost	0	0	0
Total operating credit/(charge)	(44)	(66)	(62)

Analysis of pension finance income/(costs)

	2024	2023	2022
	£000	£000	£000
Interest on plan assets	337	273	127
Interest on pension scheme liabilities	(274)	(230)	(128)
Pension finance costs	63	43	(1)
	2024	2023	2022
	£000	£000	£000
Actual return on plan assets	87	(1,617)	244
Experience gains and losses arising on the scheme liabilities	26	190	(465)
Change in financial and demographic assumptions underlying the scheme liabilities	(216)	1,401	1,691
IFRIC14 surplus adjustment	(745)	(859)	(896)
Total remeasurement included within statement of comprehensive income	(848)	(885)	574

Movement in deficit during year

	2024	2023	2022
	£000	£000	£000
Deficit in scheme at beginning of year	331	342	(170)
Movement in year:			
Current service charge	(44)	(66)	(62)
Contributions	2	2	2
Past service costs	0	0	0
Administration costs	(1)	(1)	(1)
Settlements and Curtailments	-	-	-
Net interest/return on assets	63	43	(1)
Actuarial gain	(103)	(26)	1,470
IFRIC14 surplus adjustment	114	37	(896)
Surplus/(Deficit) in scheme at end of year	362	331	342

History of experience gains or losses

	2024	2023	2022	2021	2020
	£	£	£	£	£
Return on assets excluding amounts included in net interest	87	(1,617)	244	914	(82)
Value of assets	5,855	5,692	7,269	8,060	7,331
% of scheme assets	1.49%	(28.41%)	3.36%	11.34%	(1.12%)
Experience gains and losses on scheme liabilities	190	(1,591)	(1,226)	55	(342)
Total present value of liabilities	(5,493)	(5,361)	(6,927)	(8,230)	(8,302)
% of Total present value of scheme liabilities	(3.46%)	29.7%	17.7%	(0.67%)	4.12%
Actuarial gain/(loss) recognised in statement of comprehensive income % of the present value of liabilities	(848) 15.44%	(885) 16.51%	574 (8.29%)	859 (10.44%)	260 (3.13%)

Actuarial Gain in respect of pension scheme

	2024 £	2023 £
GMP	4,015,000	13,097,000
MPF	11,000	11,000
USS	1,073,356	112,732
EPP	(8,062)	9,720
	5,091,294	13,230,452

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate have increased significantly since 31 July 2023, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions

reached by the court in this case may have implications for other UK defined benefit plans. Liverpool Hope University, Hymans and Mercers are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the MPF and GMPF. As a result, Liverpool Hope University does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

24. Financial Instruments

The University operates a treasury management function which is responsible for managing the credit, liquidity and interest risk. These financial risks are managed within the parameters specified in the approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Chartered Institute of Public Practice (CIPFA)'S 'Treasury Management in the Public Services: Code of Practice.

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

Credit risk arises from bank balances, investments, student debtor and commercial customers. Student and commercial debtors

are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain, or written off if deemed irrecoverable.

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Daily, weekly and monthly monitoring of cash position and regular cashflow forecasts are part of the control environment and planning throughout the year. The University policy is to maintain a balance of no more than £10m with any single banking organisation.

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in the value of balance sheet items.

The fair values of each category of the University's financial instruments are the same as their carrying value on the statement of financial position.

Financial Assets

	2024 £	2023 £
Investments	9,500,000	10,000,000
Trade & Other Receivables	1,159,001	972,171
Cash & Cash Equivalents	12,154,694	19,100,566
	22,813,695	30,072,737

	2024 £	2023 £
Financial Liabilities		
Loans	2,845,387	3,198,050
Trade & Other Payables	1,236,058	2,659,119
	4,081,445	5,857,169

25. Reconciliation of Net Debt

	2024 £	2023 £
Net Debt at 1 August	(15,902,516)	(6,517,144)
Movement in Cash & Cash Equivalents	(6,945,872)	2,831,332
Other non-cash changes	13,539,081	(12,216,704)
Net Debt at 31 July	(9,309,307)	(15,902,516)
Change in Net Debt	6,593,209	(9,385,372)

Analysis of Net Debt

	2024 £	2023 £
Cash & Cash Equivalents less:	12,154,694	19,100,566
Borrowings: amounts falling due within 1 year		
Secured Loans	372,676	352,661
Borrowings: amounts falling due after 1 year		
Secured loans	2,472,711	2,845,389
Net Debt	(9,309,307)	(15,902,516)



LIVERPOOL HOPE UNIVERSITY

1844

Liverpool Hope University Financial **Statements** for year ending 31st July 2024

Registered Company Number: 3285547

A company limited by guarantee,
without share capital, registered in England

Registered Charity number: 1060579

Accounts



**LIVERPOOL
HOPE
UNIVERSITY**
Est. 1844



FINANCIAL STATEMENTS **for year ending 31st July 2023**

Registered Company Number: 3285547

A company limited by guarantee, without share capital, registered in England

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STRATEGIC REPORT

Liverpool Hope University welcomes all who seek an excellent higher education. Our educational philosophy is based on the triune quest for Truth, Beauty and Goodness. We are deeply committed to a culture of research and knowledge exchange and to preparing our graduates to serve the common good.

In December 2022, the University said farewell to Professor Gerald Pillay as he retired after nineteen years as Vice-Chancellor. Professor Pillay had overseen the transition of Liverpool Hope from an affiliated College of Liverpool University, to an established University with teaching and research degree awarding powers. He successfully led the University through its initial formative years, and left Liverpool Hope well placed for the future, and with the thanks and good wishes of the Hope Community.

Liverpool Hope is a vibrant community of staff and students, and the collegial ethos of the University is at the heart of our mission and values. In February 2023 the University celebrated 118 long-serving colleagues who have worked at Hope for over 20 years, recognising the contribution they have made to the University over many years.

In March 2023, the University was delighted to welcome our new Vice-Chancellor, Professor Claire Ozanne, to lead the institution into the next phase of its evolution as a University. A 'Strategic Plan 2023 – 2028' has been developed in consultation with the staff and student community, which will provide a framework to underpin the University strategy going forward. The Strategic Plan builds on the strong foundations and ethos embedded at the core of Hope. The objective is to take the University forward to the next level, increasing its national and international reputation, while students and community remain at the heart of what Liverpool Hope stands for.

The Strategic plan is based around five pillars, supported by a number of enabling strategies. The five pillars are:

- Ethos and Community
- Education
- Research, Scholarship and KE (Knowledge Enhancement)
- Partnership and Voice
- Sustainable and Future Ready

2022-2023 therefore marked the end of one era, and the start of a new one. Going forward the challenges within the sector will require the University to adapt and evolve. However, the fundamental nature of the University will remain unchanged, and the University moves forward feeling positive about the future and supported by strong foundations.

EDUCATION

Liverpool Hope University is committed to providing education that transforms lives. We welcome all who seek an excellent education.

The University provides a learning experience which is both personalised and community-orientated, and promotes a sense of belonging and success. We achieve this through a clear awareness of our student profile, their different characteristics and needs. This experience

equips students to be active participants in their learning and prepares them, through the development of skills and knowledge, to make a difference for good in the world as future leaders in wide range of contexts. In 2022/2023 this commitment was set out with greater clarity in the University's new [Learning Teaching and Assessment Strategy](#). This strategy is based on two fundamental concepts, firstly the attributes which every Hope graduate should have and secondly the underpinning principles of Learning, Teaching and Assessment at Hope.

The University applied for a TEF award and gained silver recognition in both Student Experience and Student Outcomes categories. The University's Communities of Practice (COP) scheme for staff development continued, with new COPs being introduced in Supervising Dissertations, Student Reading and Literary Early Career Teacher and Teaching Socially Relevant Topics. The structure of the University Virtual Learning Environment was substantially updated in response to student feedback. A new peer enhancement policy was developed and implemented; this structures the opportunity for colleagues to observe good practice in the classroom.

Academic year 2022/23 saw several new courses being added to the Liverpool Hope portfolio including majors in contemporary fashion design and human geography. We also extended the reach of the foundation year and introduced a range of professional development opportunities for those working in the education sector. These included Special Educational Needs and Autism related training.

The University commissioned four external reviews to investigate the potential for curriculum development. These focussed on the UG and PGT portfolios and also on international recruitment and on the potential for health-related provisions such as Physiotherapy. The outcomes of these reviews are currently being taken forward to inform curriculum development for 2024 onwards.

Hope featured in a range of national league tables and the University was particularly pleased to be recognised as the top university in the country for student satisfaction in Drama, Dance and Cinematics in the Complete University Guide. The University also took part in the National Student Survey (NSS 2023) and achieved an 82% student completion rate. Overall Hope achieved success as the top modern university in the North West for academic support and was ranked first in Liverpool for assessment and feedback.

The University continues to develop and augment its support for students and a range of new initiatives were developed in 2022/23.

- An enhanced provision for English Language support was introduced for international students.
- An online system using QR codes was introduced to facilitate more effective recording of student attendance.
- The availability of the student support fund was widened to provide opportunities for a greater proportion of the full cohort to apply.
- Pastoral support was enhanced by the creation of a new senior post, Director of Student Life, with a remit to ensure that all student support is fully networked.
- The introduction of two Student Engagement Officers allowed low level support to be much more readily available to students who needed advice.

There were 480 nominations made for the annual Hope Star Awards organised by the Students' Union. These awards recognise staff and students who go the extra mile to make the University a better place.

Outside the curriculum students continued to embrace a wide range of opportunities made available to them. 2022/23 saw the fifth annual **Insight to Business Awards** which sees Hope's Business School joining forces with some of the region's most influential companies to offer short-term placements to both undergraduates and recent graduates. This year 40 students were shortlisted for an award. Students showcased their credentials as international diplomats of the future, by winning an Outstanding Delegation award at the **annual BISA Model NATO** held at the Foreign Commonwealth and Development Office (FCDO). The LHU Music Team launched a record label, **Wild Hope Records**, offering opportunities for undergraduate and postgraduate students to release their own compositions.

The University continues to encourage students to have international experiences. Global Hope sent its first post-pandemic student team to work with the Instituto Ramacrisna Arts Co-operative in Brazil.

The University offers students the opportunity to spend time at its campus in Wales. Students from all levels of study visited Caerdeon in 2022/23 to undertake a wide range of activities both study and activity based. There is also encouragement to work with partners in the city. More than 40 students from the School of Creative and Performing Arts took to the stage as part of Liverpool's **Eurovision** celebrations, including performing with Pupils from Sandfield Park School in West Derby and Alt Bridge Secondary School in Huyton. The University continues to enable students to take up placement opportunities within their courses to improve their employment options. In 2022/23 approximately 25% of Hope students undertook an employment related placement.

RESEARCH AND KNOWLEDGE EXCHANGE

Liverpool Hope University is a vibrant academic community with high scholarly standards. We are proud of our past, confident in our present, and ambitious for our future research goals.

In order to underpin our new Strategic Plan, the research, scholarship, and knowledge exchange (KE) strategy is being refined to support our engagement in excellent research and knowledge exchange activities which have impact on societal challenges and underpin our learning and teaching. We submitted over 96% of our active research staff (colleagues with Significant Responsibility for Research) in thirteen Units of Assessment for REF 2021. All 13 subject units were assessed as having aspects of their work in Internationally Excellent (3*) or world-leading (4*) categories. The subjects submitted were English Language and Literature; Theology and Religious Studies; Psychology; History; Computer Science and Informatics; Nutrition; Sport and Exercise Sciences; Geography and Environmental Studies; Politics and International Studies; Education; Music, Drama, Dance, Performing Arts; Social Work and Social Policy; Art and Design.

The University is continually developing its research profile and has an ambitious agenda for the future to build on the REF 2021 results. Our objectives include fostering interdisciplinary approaches to knowledge creation and exchange, scaling-up external funding for our research and supporting innovation to increase our capacity to seek solutions to the challenges facing society. Our REF 2021 submission is an indicator of the inclusive and broad-based research

culture in the university, which provides a strong foundation for the enhancement of our academic standing and the impact of our work.

There is wide-ranging research in the University across the Humanities, Social Sciences, Business, Education, Performing Arts and Design, Psychology, Geography and Environmental Science, Health Sciences, Law, and Computing Science and Engineering and a range of impactful research initiatives and activities across various disciplines, showcasing the University's dedication to producing research with real-world impacts. Some example projects and their societal impacts include:

- **Understanding of Terrorism and Political Violence:** This research offers deep insights into the psychological processes involved in politically motivated violence. Its findings significantly influenced global policymakers, security services, NGOs, and the public, enhancing counter-terrorism strategies and understanding of political violence.
- **Age-Related Changes in Colour Vision:** The study developed new normative data for colour perception across different age groups, revolutionizing the clinical diagnosis and treatment of colour vision impairments. This advancement has been globally recognized and implemented in clinical settings, particularly benefiting older adults.
- **Exercise and Nutrition for Muscle Strength in Older Adults:** Research highlighted the importance of resistance and functional exercises combined with a protein-rich diet for improving muscle strength and overall quality of life in older adults. These findings have shaped health promotion practices and strategies to combat mobility issues and promote healthy aging.

The University's research makes significant contributions in areas like educational practices, environmental conservation and sustainability, innovations in agricultural techniques, mental health interventions, advancements in renewable energy technologies, cultural studies, biomedical research in disease prevention, social policy and welfare systems, and innovations in engineering and design.

Some further specific examples in brief include:

- Studies on the **Colombian peace process** informed political debates and media narratives, particularly regarding land restitution and the impact of political and media discourses.
- Research on **wireless communications technologies** influenced international agreements on radio frequency spectrum allocation. This is a niche research area at the boundaries of Robotics and Aerospace research that has been developing at the University during the last 5 years or so.
- Participatory research on **health policies** impacted healthcare professional practices and health service user experiences.
- Conservation efforts on **coastal dunes** were influenced by research highlighting the need for improved conservation status in line with EU guidelines.
- Collaborative research on **diet and lifestyle habits** shed light on the risk factors of noncommunicable diseases among young adults, leading to improved health promotion practices.

These examples of our research reflect Liverpool Hope University's commitment to advancing academic knowledge while having a tangible impact on society, health, environment, education, and technology.

In March 2023, our chancellor, Professor Monica Grady, delivered the prestigious Michael Faraday Prize Lecture. The University was delighted when Professor Grady was confirmed as the winner in August, receiving the award for her significant contribution to the field of planetary science, and her dedication and enthusiasm for public engagement, particularly in raising the profile of STEM subjects for young women. The prize is awarded annually to the scientist or engineer whose expertise in communicating scientific ideas in lay terms has been exemplary.

NATIONAL AND INTERNATIONAL PARTNERSHIPS

During 2022/23 the University has continued to build its reputation both nationally and internationally and to strengthen its relationships with external partners. The following are examples of some of the activities that took place.

Strategic Partnerships

In June 2023, the University was appointed Higher Education Institute partner for [Ambition Institute](#) and from 2024/25 will be validating and awarding their new PGCE for their ITT programme. Ambition Institute is a national education charity and the largest provider of teacher education in England.

In April 2023 the University joined [Growth Platform](#) – Liverpool City Region’s growth company. This will provide the University with further opportunities to engage with key networks and stakeholders in the City region. The University will seek to explore mutually beneficial collaborative opportunities that will deepen its contribution to the sustainable growth and wellbeing of the City region and its communities.

The University continues to partner with Universities in Europe and across the US, India, Africa, China and the Philippines. These partnerships afford opportunities for student and staff mobility, joint programmes and research endeavours.

Conferences

During 2022/23 the University was delighted to host a number of national and international conferences. This included the following:

- **Consortium for Global Education International Conference (June 2023)**
The University welcomed higher education leaders from around the world. Hosting the conference and being part of the CGE strengthens opportunities for our students as well as bringing more international students into the student community.
- **Shoulder Rehabilitation Conference (December 2022)**
Physiotherapy and rehabilitation experts from around the world attended the University’s third biannual Shoulder Rehabilitation Conference, led by our specialists from our own Health Sciences School.
- **Cost of living Conference (June 2023)**
160 leaders from 87 regional and national institutions, NGOs and charities attended Hope to explore solutions to poverty across the UK, including leader of Liverpool City Council, Liam Robinson.

The conference led to the formation of a new research network - The Poverty Research and Advocacy Network (PRAN) – which has been set up by Dr Natalija Atas and Dr Vicki Dabrowski to combat poverty and deprivation in the North West.

OUTREACH AND WIDENING ACCESS AND PARTICIPATION

The University aspires to strengthen delivery on our Life-Long Learning mission, including widening access and participation and ensuring good outcomes for our graduates. We have an approved [Access and Participation Plan](#) (APP) Through our commitment to the APP we have an ambitious set of strategic aims which support attainment raising in schools and which seek to improve outcomes for students who may otherwise be less likely to access higher education and succeed once there. As a University we seek to ensure equality for everyone that applies or registers with us regardless of ethnicity, background or financial hardship.

Furthermore, the University is committed to the Outreach and Widening Access and Participation agenda more generally through its outreach work. This includes through its partnership with Holy Cross Bury (the Network of Hope) where higher education courses are delivered locally for those who might otherwise have limited access to provision.

The University fulfils its ambitions in relation to Access and Participation by offering support for students through a series of scholarships, and through on course funds for those who are struggling financially. The Learning Support Fund is available to students from the groups identified in the Plan; with the aim of ensuring that discontinuation of studies is avoided. Details of the expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The University continued to invest in a range of facilities and services to support disabled students, ensuring they are able to fully participate in the life of the University. In 2022/23, 26.55% of Liverpool Hope students had a declared disability. This is significantly higher than the sector average, and reflects the mission and values of the institution.

The expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The total expenditure in the four categories was £1,492,981. This represents an increase of £232,984 compared to 2021/22 (18.5%).

CAPITAL DEVELOPMENTS

Underpinned by our desire to deliver an excellent education and student experience and our commitment to reducing environmental impact, the University continues to develop our estate. In July 2022, the University started work on the IQ (InQuiry) Building project at the Hope Park Campus which is due to complete in December 2023. This is a flagship Learning and Teaching building which has a budget of £13.5 million, and is being fully paid for from cash reserves. These new facilities will improve the student experience by providing access to a range of different learning and teaching methods, including new technologies such as the use of VR within a Simulation Suite.

Other capital work currently being undertaken includes the refurbishment of one of our student residential halls, which is partly funded by a Salix grant as part of our move towards net zero. There is also a major refurbishment of a grade 2 listed building at the Creative Campus which will provide teaching and office space. This brings back into use a dilapidated building and demonstrates the University commitment to the regeneration of a deprived area of Liverpool.

FINANCIAL PERFORMANCE

The University takes financial performance seriously and has robust financial processes and procedures in place to ensure the financial sustainability of the University is always protected. The delivery of strong financial results has ensured that resources are always available, as and when required, to support the academic aspirations of the University and to provide the flexibility to respond to the demands of a rapidly changing sector.

While Liverpool Hope has a strong financial foundation, it is not immune to the challenges being felt throughout the sector. The majority of our students are Home UG students, and therefore the decision to freeze the tuition fee at £9,250, has meant that fee income remains static while the cost base increases. The unprecedented level of inflation in 2022/23, especially in relation to Utilities and salary increases, has placed the financial position under far more pressure than usual going forward. Good progress is being made on a range of initiatives to diversify income and reposition the University for the future.

At the same time, the University recognized the strain that the cost of living crisis was having on staff and made a one-off bonus payment of £1,000 (pro-rata) in December 2023 to acknowledge this. It also increased the level of payments through the Student Support Fund (hardship fund) to provide further financial assistance to students facing financial issues.

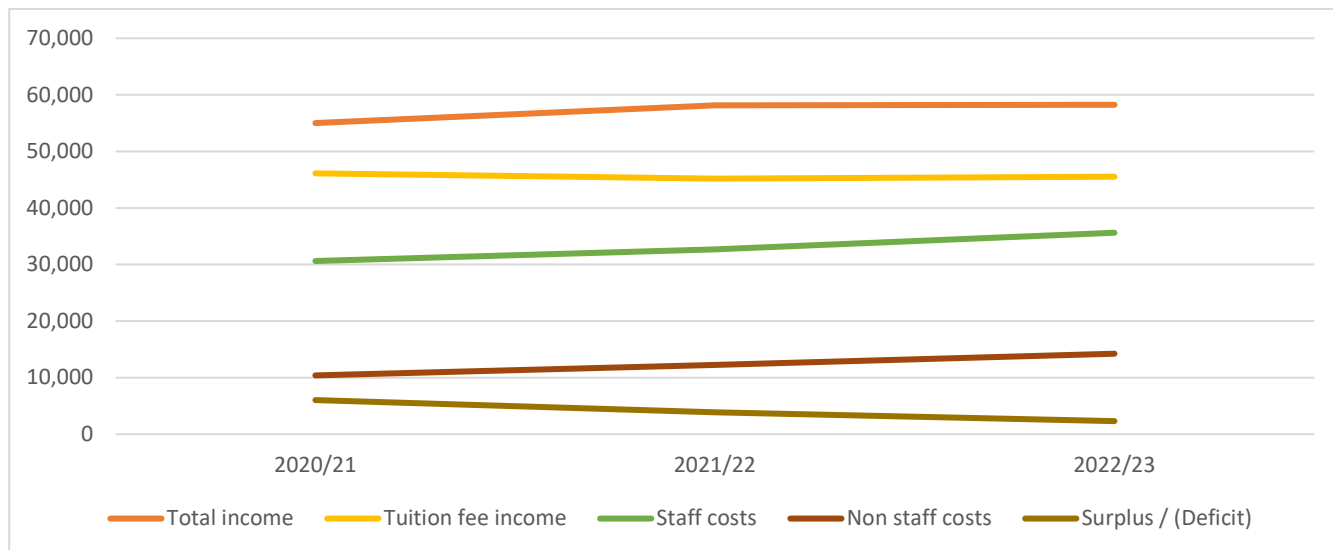
The original budget approved by Council was a 3% surplus. Through careful management of the resources via the two reforecast exercises and strong financial controls, the final result was a surplus of 4%. However, it should be noted that this was only achieved due to the major reduction in the FRS 102 Pension adjustment.

The University's Statement of Comprehensive Income and results for the year to 31st July are summarised below.

	2022/23	2021/22
	£000	£000
Income	58,243	58,119
Expenditure	55,934	54,246
Operating surplus	2,309	3,873

The OfS has stated that taken alone, surpluses or deficits are not necessarily a clear indicator of financial viability or sustainability as they can be distorted by accounting treatments. With this in mind the OfS suggests net operating cashflow is a better indicator of a providers underlying financial performance. The cash generated by the University during the year was £4,565,327 (2021/22 £11,529,540) and it is encouraging to see that additional cash is being generated year on year. This demonstrates the strength of the underlying financial position.

The Statement of Comprehensive Income for the year is set out on page 42



While the results for 2022/23 were encouraging, the chart above demonstrates the impact of fixed home fees on the University over the last three years. Annual surpluses are declining due to static income and rapidly rising staff and non-staff costs.

Student Numbers

As at 31st July 2023 the University had 5,459 students (31st July 2022 – 5,452).

	Full Time Students	Part-Time Students
Undergraduate	4,040	92
Postgraduate (taught)	376	369
Postgraduate (research)	46	84
PGCE	309	5
Other	138	-
	4,909	550

Treasury Management Policy

The University had gradually increased the level of cash reserves so that it could undertake its extensive capital programme without needing to resort to external finance.

In July 2023 Cash and Cash equivalents and Investments, had reduced by £9,918,668 to £29,100,566 compared to July 2022. This was not unexpected due to payments of £23.5 million during the year for:

1. Capital programme payments £14.55 million
2. One off termination payment for lease £9 million

The lease payment was an unexpected opportunity that arose during the year to extricate the University from a finance lease in relation to student accommodation and purchase the freehold.

In August 2022 the University had placed £5 million with Rathbones Investment Bank, with the intention of leaving this as a long term investment for the future. The University has now reconsidered this decision and the account has been closed post year year-end.

All investments are made in line with the University Treasury Management Policy, ensuring that investments are ethical and risk averse.

The outstanding value of the one remaining University bank loan had reduced to £3,198,050 at the year-end (2022 - £3,529,747), and no new loans were taken out in 2022/23. As noted above, the finance lease arrangement was terminated in July 2023. All borrowing is undertaken in the name of the University and conforms to OfS requirements. The Treasury Management policy is updated annually and was revised in October 2023.

RISK MANAGEMENT

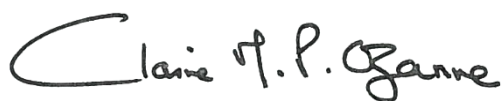
The University takes the management of risk seriously. Where a risk is seen as a threat, mitigations are identified and put in place. However, risks can also be seen as opportunities and the University is not risk averse. Rather, it will take a measured approach to opportunities to achieve its strategic objectives.

Each School and Department has their own Risk Register. These feed into the University Risk Register, which is overseen by the Audit Committee on behalf of University Council, which highlights key risks and mitigations at University and sector level. These include financial, compliance and accountability risks such as data returns, health & safety, safeguarding matters or they might be reputational such as quality audits and inspections. The University has a comprehensive internal control system to manage risk. This includes a program of work by the internal auditors which directly addresses the major risks identified in the risk register.

The Risk Register is a dynamic document, updated as required to reflect changing circumstances. Many of the risks have financial consequences for example recruitment and retention. Other risks pose business continuity challenges: for example, the prevalence of cyber-attacks in the sector. The University continues to scan the policy environment and is fully engaged with sector bodies and local, regional and national partners.

The risk register captures the key financial risks to the institution and financial modelling of these scenarios is undertaken regularly. As we enter 2023/24 the key financial risks to the institution are those common to the sector: recruitment, static fees, and inflation especially in relation to staff costs and utilities. While not complacent, all of the financial modelling undertaken to date provides reassurance of the University's long-term financial sustainability.

The University enters the next phase of its development with a clear strategic vision as outlined in the new Strategic Plan and is confident that it can adapt to, manage and minimize the risks above. This vision is endorsed by the University Governance structure and ownership is embedded across all senior management. We enter 2023/24 confident that we will be able to flourish and thrive.



Professor Claire Ozanne
Vice Chancellor & Rector
22nd November 2023

DIRECTORS REPORT

Legal status

Liverpool Hope University was re-constituted in 2005 by order of the Privy Council under Section 129B of the Education Reform Act 1988, as a single, joint Anglican-Roman Catholic ecumenical University. It is registered in England and Wales as a Company Limited by Guarantee (3285547) and registered as a Charity (1060579).

In 2002 taught degree awarding powers were secured and the title Liverpool Hope University College officially bestowed. In July 2005 the granting of full University status led to the adoption of the title Liverpool Hope University and in August 2009, the Privy Council granted the University the power to award research degrees. In the academic and financial year 2022/2023 there were 5,459 students and 644 members of staff, with a range of degrees at undergraduate and postgraduate levels.

Members of the University Council – (list of directors can be found on page 18)

All the members of the University Council are directors of the Company. No director had any interest in any contract made by the University during the financial year, other than a contract of employment as a member of staff and that described in note 21 to the accounts.

Mission Statement

The Mission Statement reflects both the University's traditions and its intention to develop and maintain a distinctive and forward-looking programme relevant to local, regional, national and international needs.

Liverpool Hope University is an ecumenical, Christian foundation which strives:

- to provide opportunities for the well-rounded personal development of all students;
- to educate the whole person in mind, body and spirit, irrespective of age, social or ethnic origins or physical capacity, including in particular those with promise who might otherwise not have had an opportunity to enter higher education;
- to be a provider of high quality educational programmes responsive to the needs of students in the UK and abroad;
- to sustain an academic community, enriched by Christian values and culture, which supports teaching and learning, scholarship and research, encourages the understanding of other faiths and beliefs, and promotes religious and social harmony;
- to be globally credible while contributing to the educational, religious, cultural, social and economic life of Liverpool, Merseyside, North-West England and beyond.

Directors' Report *(continued)*

Equality and Diversity

The University is cognisant of its obligations under the Equality Act 2010 and has due regard to equality and diversity in its policy making processes. Its Equality and Diversity Policy and other related information can be found at: <https://www.hope.ac.uk/gateway/staff/personnel/equalitydiversityandinclusion/>

The University has an Equality & Diversity Steering Committee which reports to Senior Management Team, Senate and the Staffing Committee of University Council. The Steering Committee takes an overview of the University's equality objectives and analyses data reports to ensure that any issues relating to groups with protected characteristics are identified and then tackled. The University has participated in the Aurora programme to support women into management and leadership positions and is planning to apply for Athena Swann membership.

Employee Involvement

The University places considerable value on the involvement of its employees and on good communication with them. Staff are encouraged to participate in formal and informal consultation at University, School and department level, sometimes through membership of formal Committees. The Vice-Chancellor addresses all staff at the start of the academic year. The Vice-Chancellor, meets all Academic Leaders and Operational Leaders with the senior team at least twice a term but more regularly if required.

There is a system of cascading information from those meetings to all staff and departments and service areas are expected to hold regular staff meetings to enhance two-way communication.

The University's People 2020 Strategy has a strategic strand to enhance engagement with and of staff. The Joint Consultative and Negotiating Committee (JCNC) is a forum for management and Trades Unions' representatives which meets regularly. Hope Bulletin is a weekly electronic newsletter sent to the inbox of all members of staff every Wednesday to keep them up to date with University news and events.

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on trade union facility time reporting. For Financial Year ending 31st July 2023 there were 20 trade union representatives equating to 18.34 FTEs at a cost of £21,374. In terms of percentage of working hours spent on facility time, there were 12 employees working less than 0% and 8 employees working between 1% to 50% of their working hours.

Supplier Involvement

When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Directors' Report *(continued)*

Areas of Public Benefit provided by Liverpool Hope University

In shaping its objectives and planning its activities the University has considered the Charity Commission guidance on public benefit. The University through oversight of its activities at University Council meetings is confident that it fully satisfies the Public Benefit requirements of the Charity Commission as there is a direct benefit to students from its activities and an indirect benefit to the public at large.

The Public Benefit requirement requires two principles to be met.

1. There must be an identifiable benefit or benefits.

The objects of the University are:

- the higher education of men and women including the education and training of persons intending to enter, or engaged in, the teaching profession;
- the furtherance of the Roman Catholic Church and the Church of England, of Christian education, of ecumenical ideals, and of understanding between Christian Churches in the promotion of the Gospel;
- the advancement of knowledge by research and scholarship and teaching and learning;

This is a clearly identifiable benefit.

2. The benefit must be to the public or a section of the public. This area is expanded below.

As well as the students themselves, the University provides benefits for the general public. This includes a range of events such as concerts, lectures and the Angel Field Festival that are either free or accessible for a minimal charge.

Health and well-being initiatives are also run at the University which the public is able to attend. The University's Service and Leadership award encourages students to undertake a range of voluntary activities across the local community and overseas and is recognised by a formal award at the end of their degree. The University is a partner of Contact the Elderly and participates in Childwall in Bloom.

As part of the response to the pandemic, the University set up the Hope Community Engagement programme which is open to staff and students. The aim is to support, fund raise and coordinate a number of projects across the local community. This has proved to be extremely successful and will continue into the future.

Environment and Sustainability

Liverpool Hope University has a moral and ethical approach to stewardship of the Earth and a responsibility to create a better quality of life for present and future generations. It strives to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. We recognise the negative and positive impacts that we have on the environment, economy and society both locally, nationally and globally. The University, however, is well placed to make an exceptional contribution – well positioned through our teaching and research; influence on students, staff and communities; and through our business and campus operations.

Directors' Report (continued)

Sustainability is central to the University's mission and values and is one of the five pillars of the University's Strategic Plan 2023-2028. Our Sustainability Policy commits the University to increasing its positive contribution and reducing its negative impact on the environment in six key impact areas: awareness and engagement, utility consumption, travel and transport, waste, estates development and procurement; all of which contribute to the University's carbon emissions.

The University has committed to achieving net zero Scope 1 and 2 emissions by 2040 and net zero Scope 3 emissions by 2050 at the latest.

The University's Scope 1 and 2 carbon emissions during 2022-2023 (August to July) were 2,449 tonnes CO₂e (equivalent to 0.03 tonnes CO₂e per m² GIA) and have been calculated using the Government conversion factors for company reporting of greenhouse gas emissions. The University's total Scope 1 and 2 emissions have decreased by 7.2% compared to last year (2021-2022) and by 53.1% since 2005-2006. This is despite growth in the size of the University's estate during the same period. Work is continuing to collate and analyse the University's relevant Scope 3 emissions.

Emissions Source	Scope	Consumption (2022-2023)	Tonnes CO ₂ e	% difference between 2005-2006 and 2022-2023 (consumption)	% difference between 2021-2022 and 2022-2023 (consumption)	Consumption per Student headcount [July]
Gas	1	7,351,265 kWh	1345	-34.6	-15.0	1,359
Fugitive Emissions	1	0kg	0	-100	-	0
Fuel used in owned vehicles	1	3,909L	9.6	-37.7	+40.3	0.76
Electricity	2	5,286,534 kWh	1095	-18.8	-3.0	977
Total	1 & 2	-	2,449	-53.1	-7.2	0.45
Scope 1&2 emissions	3	as above	581	-	-	
Water (supply & treatment)	3	48,151 m ³	18	-23.7	-7.7	8.9

Carbon reduction projects have continued to contribute to the decrease in carbon emissions with the continued installation of LED lighting and controls, non-concussive taps, waterless urinals; upgrading and fine-tuning the Building Management System; catering equipment upgrades; upgrading the building fabric, including replacement roofs; and decarbonising a proportion of our heating and hot water systems. The University's Heating and Cooling Policy was ratified setting out the expectations for buildings users.

Directors' Report *(continued)*

Since 2020, the University's Estates team has been successful with five separate grant funding bids to the Government Public Sector Decarbonisation Scheme. This has enabled the University to access over £1.5m grant funding:

- St Julies halls of residence works in 2021-2022 (Salix PSDS Phase 2) included replacing the gas fired heating system with electric panel heaters (removing over 80% of the gas consumption), replacing the original steel framed single glazed windows with double glazing, installing internal wall insulation and solar PV;
- Trinity project in 2022-23 (Salix PSDS Phase 3a) replaced the gas heating system with an Air Source Heat Pump (removing 100% of the gas consumption), installing double glazing, solar PV and a Building Management System;
- Angela Halls of Residence project (Salix PSDS Phase 3c) has begun in 2023-2024 (Salix PSDS Phase 3c), and will install internal wall insulation and replace the gas fired heating system with electric panels heaters, replace the gas fired domestic hot water with an ASHP (removing 100% of the gas consumption).

As part of the decarbonisation plan, the University's infrastructure for on-site solar electrical power generation has been improved 6.5-fold since 2016, to a generation potential of 136,736 kWh p.a.

Going concern

The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The University currently has one remaining loan of £3.2 million of loans outstanding with bankers, secured by a fixed and floating charge on University assets. The University's forecasts and financial projections indicate that it will be able to meet the financial commitments in relation to this loan for the foreseeable future, after consideration of reasonably expected changes in performance.

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

The financial statements have been prepared on a going concern basis which the Council considers to be appropriate for the following reasons.

The University has prepared a financial model and cash flow forecasts for a period up to July 2025 which takes account of severe but plausible scenarios. After reviewing the assumptions underpinning these forecasts, the Council is of the opinion that the University will have sufficient funds to meet their liabilities as they fall due, over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic assumptions to demonstrate going concern, reduction in recruitment, inflationary increases in relation to staffing and general inflation, Utility costs. Even on this basis, liquidity levels are forecast to remain strong despite funding the committed capital programme from cash reserves.

Consequently, the Council is confident that the 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.

Directors' Report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Section 172 Statement

The members of the University Council are Trustees of the University and directors of the Company. In line with their duties under s172 of the Companies Act 2006, directors act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. As part of the decision-making process, matters that are of strategic importance to the Company, the Board and its Committees consider the potential impact of decisions on relevant stakeholders. Whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Students

Liverpool Hope takes pride in providing its students with a distinctive learning experience in this stage of their learning journey. Liverpool Hope offers the best possible student transformational experience enabling staff to get to know students one by one. This is delivered through high quality teaching and pastoral support, learning resources that underpin teaching and learning and a variety of learning spaces. This learning environment challenges and develops the students to enable them to progress on their journey into the workplace or further study.

The University considers it extremely important that effective ways are found to hear the whole students' voice in order to respond to their concerns and build a supportive learning community. A well-functioning Students' Union is a vital part of to this endeavour and the University ensures that the Student Union attends all of its major decision-making bodies so that the student voice is heard. <https://www.hope.ac.uk/gateway/students/studentvoice/>

Employees

The University has well established frameworks in place to both protect and engage with staff, using formally agreed policies and procedures that cover all aspects of the employment life-cycle. These include health and safety, well-being, performance, reward, personal development and training as well as rigorous recruitment, selection and progression procedures.

Clear and regular management communication remains in place to support our strategic and operational objectives. A number of different media are used, such as the weekly Hope Bulletin and direct communications from the Vice Chancellor and Deputy Vice Chancellor, to ensure views are heard and that colleagues can raise any issues of concern.

Directors' Report *(continued)*

The University continues to ensure that its terms and conditions, and its approaches to wellbeing and health makes the university an engaging and attractive employer, attracting a diverse range of suitably skilled and qualified staff.

The Promotion Wellbeing Action plan for 2022-23 saw a number of initiatives and events across the university to support the Six Ways to Wellbeing. Highlights included new guidance on Menopause, guidance for Managers supporting staff with Mental Ill-Health, an annual Staff Wellbeing Day, health checks for colleagues such as bone density testing, a HSE Stress Survey to gain an understanding of issues and priorities for action, a Pulse survey on staff wellbeing, and continued promotion of staff led groups (such as the Walking Group and the Knit and Natter Group). These initiatives are underpinned by strategic and operational support – Dr Haughan the Deputy Vice Chancellor has approved three staff Health Promotion days from June 2023, and the process for appointing Departmental Wellbeing Champions has begun.

In the period under review we have increased the annual leave allocation for non-academic staff by two days and in addition to already generous leave, Hope Liturgical Days which support our ecumenical foundation, and Bank Holidays. This has been welcomed by colleagues. Changes have been made to the Christmas holiday annual shutdown which supports both our wellbeing strategy and our sustainability agenda to ensure that the shutdown period is aligned more closely with school holidays to support carer responsibilities. In recognition of the financial pressures being faced under the cost of living crisis, a one off payment of £1,000 pro rata was made to all permanent staff.

The University continues to implement, monitor and review its people related strategies for health and safety, wellbeing, performance, reward, personal development and training. It allows flexible working and patterns of work that enable staff to have greater agility in their work-life-home balance whilst maintaining the campus life that supports and encourages students and enable staff to be fully collegial.

We continue to ensure our colleagues are protected by appropriate risk assessments and access to health supporting initiatives like free flu jabs and occupational health as well as free confidential counselling for all colleagues who request it. We continue to offer a wide range of compulsory and optional training programmes to colleagues with programmes as varied as Mental Health First Aider, Neurodiversity training and Dealing with Sexual Misconduct.

This latter programme has equipped the university with a cohort of specially trained investigators to deal with this sensitive area. This supports the university's commitment to the sector wide programme of culture change to ensure that inappropriate power imbalance relationships between staff and students are discouraged in the strongest terms. In total we have had 2284 colleagues attend either face to face training modules or e-learning modules as part of their staff development in the last year.

Looking ahead we have begun to engage with colleagues to refine our plans to move to a Faculty based organisation. Stage One is currently underway with consultation on the two models proposed for Faculty structures. Stage Two will detail the impact and implementation plans for colleagues. This will remain within our robust committee structure and joint consultation with trade unions but reflects changes implemented as part of our new strategy, spearheaded by our new Vice Chancellor, Professor Claire Ozanne.

Directors' Report *(continued)*

Suppliers

Procurement within the University is carried out in accordance with legal requirements, the University Financial Regulations and Procurement Policy. A carefully managed University that works efficiently and effectively delivering value-for-money is central to the University's Strategic Plan and our procurement activity supports that goal. Liverpool Hope University recognises that in order to achieve its ambitious strategic objectives, we need our suppliers to be on board. When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Liverpool Hope University has a moral, ethical and social responsibility to consider the impacts of its activities on students, employees, wider stakeholder groups, as well as on the environment. In order for this to happen, all of our suppliers are given the opportunity to complete an on-line assessment tool to improve their environmental performance and ensure they are making a positive impact on society. The University has enjoyed a number of successes including; working with our travel management company to promote sustainable and value for money travel options and our waste management company to increase staff and student engagement. We also work closely with our Estates suppliers to look at energy saving projects and initiatives.

Community Engagement

The Community Engagement Team over 2022-23 has grown in terms of its vision for community development. During this last year we have seen an increase in projects within the CET timetable to include the development of the Campus Cupboard, a food sustainability project for students facing the cost of living crisis. This has also connected colleagues across the university and city to explore research and conference work with external partners looking into the impact and responses to the cost of living crisis.

The Community Engagement Team has supported the development of local community members and students taking more of a lead role in their projects. For example, key students who volunteer with the team have been leading sessions in Growing Spaces alongside community members and demonstrating both their commitment to community practice and their own skill development to support future employment and study opportunities.

Working with other community organisations in the area as part of the ChildwALL Together Group, the CET has been awarded two external funding grants over the 2022-23 academic year. The first, £10,000 from Awards for All, which has funded a number of the weekly projects, for example, the Childwall Community Choir and the newly developed community Tai Chi programme in partnership with Hope Park Sports.

The second award has been through The Josephine Butler Trust who awarded the CET £5,000 for their community work. This funding has supported particular projects with Care Leavers and students estranged from the families through the university providing support graduation gowns and photo packages for students at this time of celebration.

During this year we have also been able to support Summer Creative Camps with young people, working with our partners at Childwall Abbey School and Liverpool City Council SPLICE project. The Creative Camps have offered disabled young people opportunities to work with a range of practitioners through team challenges, art, drama and performance.

Directors' Report *(continued)*

This has provided them with the opportunity for them to develop and to celebrate their skills and talents.

The CET has intentionally fostered further opportunities with academic and support team colleagues across the university and across campuses this year to increase the programme and the opportunities for people to connect with each other. We are grateful to all of those folk and their energies and commitment to supporting students, staff and local community members.

Members of the University Council

The following persons served as governors during the year ended 31st July 2023 or were members as at 22nd November 2023 when these financial statements were approved. In the case of those who became or ceased to be governors during the year, the appropriate dates are shown.

The governors are generally appointed for a period of three years. Each year they sign a register of interests. All the members of the Council are Trustees of the University and directors of the Company.

Revd Canon P Winn	Chair
Mrs J Beever	Vice-Chair
Mr Tim Alderman	
Ms Anne-Marie Costello	
Dr Edwin Djabatey	
Ms Jean Ellis (Resigned 1 st August 2023)	
Revd Canon C Fallon	
Revd Geoff Felton (Joined 30 th January 2023)	
Dr Penny Haughan	
The Very Revered Dr Sue Jones	
Fr C. McCoy	
Ms Lesley Martin-Wright	
Ms Erin Meharry (Resigned 14 th August 2023)	
Ms Neve Rosser (Joined 11 th September 2023)	
Revd Canon Professor K Newport (Resigned 28 th November 2022)	
Professor Atulya Nagar (Joined 6 th February 2023)	
Dr A. Naylor (Resigned 20 th September 2023)	
Mr J Norbury	
Ms Paula Raper	
Mr U Russell (Resigned 1 st August 2023)	
Ms Deborah Shackleton (Joined 13 th October 2022)	
Mrs M Swinson	
Mr Steven Townley (Joined 11 th September 2023)	
Dr Caroline Wakefield	
HH Judge Graham Wood QC	
Professor GJ Pillay (Resigned 9 th January 2023)	Vice Chancellor and Rector
Professor C Ozanne (Joined 1 st March 2023)	Vice Chancellor and Rector
Mr D Dykins	Company Secretary and Clerk to Council

Directors' Report *(continued)*

Vice-Chancellor Remuneration Committee

Mrs J Beever
Reverend P Winn
Mr J Norbury
Dr A Naylor

Senior Salaries Remuneration Committee

Mrs J Beever
Reverend P Winn
Mr J Norbury
Dr A Naylor
Professor GJ Pillay (except for discussion of his own salary)

Finance & General Purposes Committee

Mr J Norbury (Chair)
Fr C. McCoy
Ms Jean Ellis – ex officio
Ms D Shackleton
Mr N Dawes – ex officio
Professor GJ Pillay (part year only)
Professor C Ozanne (part year only)

Audit Committee

Dr Arthur Naylor (Chair) – resigned
Mr Steven Townley (Chair)
Ms J Beever
Ms L Martin-Wright
Ms S Suchoparek – ex officio

Nominations Committee

Revd Canon P Winn (Chair)
Professor GJ Pillay (part year only)
Professor C Ozanne (part year only)
Mrs J Beever

Advisers

External Auditor: KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Directors' Report *(continued)*

Bankers:	Lloyds Bank Merchants Court 2-12 Lord Street Liverpool L2 XF	Santander 7 th Floor 4 St Paul's Square Liverpool L3 9SJ	HSBC Bank 9 th Floor Royal Liver Pier Head Liverpool L3 1HU
	Barclays plc 48B & 50 Lord Street Liverpool L2 1TD	Rathbones PO Box 1965 Liverpool L69 3HU	
Internal Auditor:	RSM Risk Assurance Services LLP 14 th Floor, 20 Chapel Street Liverpool L3 9AG		

Statement of Council responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Council is responsible for preparing the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the Council (the members of which are the Directors of the University company for the purposes of company law) to prepare financial statements for each financial year. Under that law it has elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

Under company law the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and of their income and expenditure, gains and losses and changes in reserves, and of the University's cash flows for that period. In preparing the University financial statements, the Council is required to:

Directors' Report *(continued)*

Statement of Council responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that its financial statements comply with the Companies Act 2006. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

While the following is not a specific recreation of the constitutional provisions within the Articles of Government, the principal responsibilities of Council, adopted in December 2005, may be summarised as being:

1. To approve the educational character, mission and strategic vision of Liverpool Hope University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.

Directors' Report *(continued)*

Statement of Council responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

2. To delegate authority to the head of the institution, as Vice-Chancellor & Rector, for the academic, corporate, financial, estate and personnel management of the institution, and other responsibilities as detailed in the constitution, and keeping those functions under regular review.
3. 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.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
6. 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.
7. To safeguard the good name and values of Liverpool Hope University.
8. To appoint the head of the institution as Vice-Chancellor & Rector, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of Liverpool Hope University, to ensure that proper books of account are kept and resources used properly, effectively and efficiently, and to approve the annual budget and financial statements and have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all of the institution's legal obligations, including those arising from contracts and other legal commitments made in Liverpool Hope University's name.
13. To make such provision as it thinks fit for the general welfare of students, in consultation with senate, and for the operation of the Students' Union under a constitution approved by council.

Directors' Report *(continued)*

**Statement of Council responsibilities in respect of Strategic Report, the Directors' Report
and the Financial Statements** *(continued)*

14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of Liverpool Hope University.
15. To ensure that Liverpool Hope University's constitution is followed at all times and that appropriate advice is available to enable this to happen.



Revd Canon P Winn
Director and Chair of Council
22nd November 2023

STATEMENT OF CORPORATE GOVERNANCE

This statement of corporate governance explicitly relates to the period 1st August 2022 – 31st July 2023, up to and including the date when the financial statements are approved. The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education from the Committee of University Chairs in its Guide for Members of HE Governing Bodies in the UK. The University is committed to best practice in all aspects of corporate governance and conducts its business in line with the Office for Students (OfS) general ongoing conditions of registration. The University, through its arrangements for governance, is committed in a demonstrable way to the principles of academic freedom and equality of opportunity.

Liverpool Hope University is an incorporated body whose legal status is that of a company limited by guarantee, a registered charity and a University with taught and research awarding powers. Its objects, powers and framework of governance are set out in the articles of association which were approved by the Privy Council in 1996. The current version of the articles was approved by the Privy Council with effect from 20th April 2005. The articles require Liverpool Hope University to have a governing body and a Senate, each with clearly defined functions and responsibilities to oversee and manage its activities.

The University Council is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members and the chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and the student body. No members of University Council receive any reimbursement for the work they do for that body.

Subject to the overall responsibility of the governing body, Senate has oversight of the academic affairs of Liverpool Hope University and draws its membership entirely from the staff and the students of the institution, save for 1 Network of Hope College Principal. It is particularly concerned with general issues relating to the learning and teaching and research work of Liverpool Hope University.

The Chief Executive Officer (Vice Chancellor and Rector) is the head of Liverpool Hope University and has a general responsibility to the governing body for the organisation, direction and management of the institution. As Chief Executive, the head of the institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The University Senior Executive Team all contribute in various ways to these aspects of the work, working in close collaboration with the Vice Chancellor and University Council, which has ultimate responsibility for the University's strategic direction, education character and use of resources.

Members of University Council make an annual declaration of interests and further declare any interests in relation to matters under discussion at meetings. The University also makes an annual declaration on matters that confirm that they are "fit and proper" as defined under the Framework for the Office for Students.

Statement of Corporate Governance (continued)

University Council has adopted a Statement of Primary responsibilities reflecting sector guidance. This statement reflects the University Council's understanding of its responsibilities in relation to governance and internal control. In accordance with the articles of association, a secretary to the governing body has been appointed. The Company Secretary and Clerk to Council and the Solicitor & Senior Officer for Legal Services, Governance and Risk, provide independent advice on matters of governance to all members of University Council. Although the governing body meets four times per year, much of its detailed work is handled by committees, including Finance and General Purposes Committee, Audit Committee, Staffing Committee, Health and Safety Standing Committee, Nominations Committee and a Remuneration Committee. The decisions of the Committees are formally reported to the full University Council by the respective chairs.

Regularity and propriety in the use of public funding is delivered through the overarching governance structure described above. Public funding of research has an additional layer of governance provided through the Research Committee which reports to Senate. The research Committee considers research strategy, policy, funding and scholarly activity. The University governance structure described above facilitates a transparent, adequate and effective system of governance. The structures, policies and processes can be viewed at: <https://www.hope.ac.uk/aboutus/governance/#::~:~:text=The%20governing%20body%20of%20Liverpool,company%20directors%20and%20charity%20trustees>.

Audit Committee

The Audit Committee meets four times per year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports including recommendations, for the improvement of the University's systems of internal control, management responses and implementation plans. It also reviews and tracks the University's progress against these plans and monitors the risk register. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee is empowered to meet the External and Internal Auditors on their own for independent discussions.

The overall opinion within the Internal Audit Annual Report for 2022/23 is that the University has an 'adequate and effective framework for risk management, governance, internal control and economy efficiency and effectiveness'. The Audit Committee noted that there were only three high priority actions raised during the year, but that one of the audits, IT Learning Resource Management, had a 'partial assurance' opinion. They were reassured that action was being taken by the University to promptly address all recommendations raised.

Finance and General Purposes

The Finance and General Purposes Committee meet three times per year and maintains an oversight of the University's financial and capital development strategies and the financial policy framework.

Staffing Committee

The Staffing Committee is responsible for supporting the strategic direction, performance measurement and service development of the human resource function within the University. It also has an oversight of compliance with equal opportunities and other employment law matters.

Statement of Corporate Governance *(continued)*

Council Standing Committee on Health and Safety

The Committee develops and monitors the implementation of the University's Health and Safety Policy, Safety Management System and the associated procedures and codes of practice. It keeps under review the University's compliance with health and safety legislation and monitors trends in accidents and dangerous occurrences.

Remuneration Committee for University Senior Executive Team and Remuneration Committee for Vice Chancellor

The purpose is to determine and review the salaries, terms and conditions of the Head of the institution and such other members of staff as Council deems appropriate. These two Committees report annually to Council.

The Remuneration Committees aim to balance the safeguarding of public funds and the need to remain competitive by reference to the Committee of University Chairs HE Senior Staff Remuneration Code. Remuneration decisions are linked to the context in which the University operates and are made with reference to similar institutions, the level of complexity of the role regardless of size, and the responsibilities of the post holder in comparison to the size of the senior team, and the number of years a senior post holder has successfully served in that role.

Performance objectives are agreed with all senior staff by their line manager. The Remuneration Committees base their decisions on the annual performance of the senior staff, taking into account external benchmarks and the particular financial circumstances of the University.

The Remuneration Committee for the University Senior Executive Team comprises the Pro-Chancellor, the Chair of Audit Committee, the Chair of the Finance and General Purposes Committee, the Deputy Chair of University Council and the Vice Chancellor. The Committee meets annually to set the salaries of the members of the senior team.

The remuneration package of the Vice Chancellor is set by the Remuneration Committee for the Vice-Chancellor, which comprises the Pro-Chancellor, the Chair of Audit Committee and the Chair of the Finance and General Purposes Committee. The Vice Chancellor does not attend this meeting. The performance of the Vice Chancellor is monitored and assessed by regular meetings with the Pro-Chancellor and progress against a range of key performance indicators by which Council monitors the overall performance of the University.

Nominations Committee

The purpose is to seek out and recommend new lay/independent co-opted members to the appointing body, taking account of the current skills mix of Council and the diversity of the current membership.

STATEMENT OF INTERNAL CONTROL

This statement of internal control explicitly relates to the period 1st August 2022 – 31st July 2023, up to and including the date when the financial statements are approved. The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, members of the University Senior Executive Team and other senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial performance involving variance reporting and updates of forecast outturns;

University Council has the responsibility for reviewing the effectiveness of the system of internal control. Consistent with the Risk Management Strategy approved, the following processes have been established:

- University Council meets four times a year to consider the plans and strategic direction of the institution.
- Periodic reports from the chairman of the Audit Committee concerning internal control are received together with regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- A report on discussions of risk at the University Senior Executive Team is delivered to Audit Committee who provides oversight on risk.

The Audit Committee receives regular reports from the internal auditor, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.

- An organisation-wide risk register is operational.
- Reports are received from budget holders and project managers on internal control activities.
- Policies such as the Code of Practice on Whistleblowing, Declarations of Interest, Financial and other Irregularities, including Fraud Policy and an Anti-Bribery Policy have been periodically reviewed and revised.

Control Weaknesses Identified

The annual review of the Internal Auditors indicated that the organisation has an adequate and effective framework for risk management, governance and internal control and economy, efficiency and effectiveness.

Role of the External Auditor

The University external auditors perform an interim audit mid-year to review control procedures prior to year-end substantive testing. Throughout the year, communication between the University and external auditors is key critical to obtain reasonable assurance the University's financial information is free from material misstatement, fraud and errors.

Statement of Internal Control *(continued)*

Role of the Internal Auditor

The University's internal auditors continue to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. Both Internal and External auditors in attendance at the Audit Committee, they have to present their detailed plan for the forthcoming year. These plans are prepared in accordance with University requirements, accounting standards and direction of funding bodies. Value for money is evaluated prior to making a recommendation to Council.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF LIVERPOOL HOPE UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liverpool Hope University ("the University") for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows 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 University's affairs as at 31 July 2023, and of the University's income and expenditure, gains and losses and changes in reserves, and of the University'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*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 University in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the Council's conclusions, we considered the inherent risks to the University's business model and analysed how those risks might affect the 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 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 University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fees are generally based on standard fee rates and are non-variable in nature. We do not believe there to be an incentive or pressure to manipulate this or other income streams that are material as amounts received either typically relate to a single specific financial year or the source transactions are non-complex, involving little judgement.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and, where relevant, other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by users who do not regularly do so and those posted to pension liability codes at year end.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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 University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and related higher education legislation), taxation legislation and pensions 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 University 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. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students, recognising the nature of the University's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud 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 Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control. 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;
- in our opinion the information given in the Strategic Report and Directors' Report, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the University, or returns adequate for our audit have not been received from branches not visited by us; or
- the University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Council responsibilities

As explained more fully in its statement set out on page 20, the Council (the members of which are the Directors of the University for the purposes of company law) 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 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 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 University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the University's expenditure on access and participation activities for the financial year disclosed in Note 10 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 University's grant and fee income, as disclosed in note 6 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the 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.



James Boyle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE
30 November 2023

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. Basis of preparation

The University is a company limited by guarantee, and was incorporated on 26 November 1996. Under the terms of the Memorandum and Articles of Association, the members of the University Governing Council have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education (2019 edition), the Charities SORP (2019) and the Companies Act where appropriate. 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 during the transition period to 31 July 2019, 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 therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The fixed assets were valued at 31st July 2014, the University chose to freeze the valuation at that date and use the deemed cost going forward in accordance with FRS 102. Capital grants are accounted for using the performance model as opposed to the accruals model. A requirement for holiday pay involves an accrual for unused annual leave as an expense. Pension fund changes relate to interest computations and the inclusion of the USS scheme.

2. Going Concern

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

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

The University have prepared a cash flow forecast for a period up to July 2025. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic assumptions to demonstrate going concern, including: a 10% reduction in Home undergraduate and teacher training students in September 2024, staffing cost of living, pension and incremental increases, general inflation and significant increased costs for Utilities. The University had breached a bank loan covenant in July 2023 as a result of repayment in full of a Finance lease. Following the breach, a waiver was granted by the bank, with revised covenants agreed. There is a risk of a further breach in July 2024 and if it becomes likely this will occur, the University intends to repay this loan in full before year-end to avoid a breach. This was included as an assumption. Even on this basis, liquidity levels are forecast to remain well above the Office for Students 30-day liquidity days requirement, after paying for a significant capital programme from cash reserves.

Statement of Principal Accounting Policies (continued)

Consequently, the Council is confident that the 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.

3. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the deemed cost of certain fixed assets.

4. Basis of consolidation

The financial statements include the University only as there are no trading subsidiaries in existence.

The financial statements do not include those of Liverpool Hope Students' Union as it is a separate organisation in which the University has no control or significant influence over policy decisions.

5. Format of the accounts

The directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

6. Recognition of income

The recurrent grants from the Office for Students (OfS) and Engineering and Physical Sciences Research Council (EPSRC) represent the funding allocation which is attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Grants intended to support the acquisition of tangible fixed assets are credited to the statement of comprehensive income when the University becomes entitled to them, subject to any performance related conditions being met.

Tuition fees represent student fees received and receivable attributable to the current accounting period.

Income to which the University is entitled from research grants and contracts is released to the statement of comprehensive income in proportion to the degree of completion of the associated activity, with reference to expenditure. The University uses the accruals method of accounting for research grants and contracts.

The University acts as an agent in the payment of training bursaries from the Department of Education. Related payments received and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in note 20.

7. Retirement benefits

The University operates a defined benefit scheme for staff, the Enhanced Pension Provision (EPP). The scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P).

Statement of Principal Accounting Policies (continued)

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 Statement of Comprehensive Income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and have maturity dates approximating to the terms of the University obligations. When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past services costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes account of the adverse effect of any minimum funding requirements.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University members due to the nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for liabilities and charges for any contractual commitment to fund past deficits within the USS scheme (Note 23).

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees.

The principal schemes for the University's staff are the Teacher's Pension Scheme (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF) for non-academic staff. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the scheme are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employee's working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries.

Statement of Principal Accounting Policies (continued)

IFRIC 14: limit on Defined Benefit Asset

The standard limits the measurement of the defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or a reduction in future contributions to the plan.

For both LGPS schemes the University has set a limit of 50 employees to determine the long-term viability of the scheme. If the scheme falls below 50 members we recognise a 'short term' approach and calculate the present value of future projected service costs over the term determined by the difference between the average employee age and the normal retirement age. If the scheme remains above 50 members we recognise a 'perpetuity' approach and calculate the projected service costs in perpetuity.

Merseyside Pension Fund

There are 6 members in the pension scheme with an average age of 58. Although the scheme is 'open' the University does not necessarily encourage new employees to opt into MPF as the preferred pension fund. Three of the members to MPF have been transferred in rather than opted to join. For calculation purposes we have assumed the employees will retire at the age of 67 and therefore calculations this year are based on 9 years (average age (58) to retirement age (67)). Given the low membership of the scheme, and therefore uncertain future membership, MPF has been treated as a closed scheme

Greater Manchester Pension Fund

GMPF is the preferred pension fund for Professional Services staff, new employees joining the University pension fund are automatically included within GMPF. The actuary report confirms the active members in the fund is 350 (at 31st March 2022), the University calculates 349 active members at the end of July 2023 which demonstrates continuing membership. For calculation purposes we have assumed this fund will continue in perpetuity.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense during the year in which the employees render service to the organisation. Any unused benefit is accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Maintenance of premises

The cost of routine corrective maintenance is charged to the Statement of Comprehensive Income as incurred.

10. Operating Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income as incurred on a straight-line basis over the lease term.

Statement of Principal Accounting Policies *(continued)*

11. Provisions

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

The calculation of the cost of early retirement provisions charged to the statement of comprehensive income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 2.5% in excess of price inflation.

An amount is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. (See note 23).

12. Fixed assets

In 1980 the two former colleges, St. Katharine's and Christ's and Notre Dame, entered into a Deed of Adherence with the Liverpool Institute of Higher Education under which they provided their respective properties to the Institute. These were superseded in 1998 by similar Deeds of Arrangement of Membership with Liverpool Hope.

St. Katharine's College (Warrington Training College Incorporated), was granted a 99 year lease in 1963 from the Central Board of Finance of the Church of England for the properties provided to the Institute under the Deed of Adherence. The lease is renewable upon request for a second and final 99 years from 2062.

Christ's and Notre Dame College property is owned by the Trustees of Christ's and Notre Dame College. Under the Deed of Adherence, the property of the College was made available for the use of the Institute. These buildings have been included on the Statement of Financial Position since 2004/05 to reflect the fact that the University carries the majority of the benefits and liabilities of the buildings.

Under the terms of the Deed of Adherence, neither College shall withdraw from Liverpool Hope without the agreement of the remaining College and the consent of the Secretary of State for Education.

Subject to the appropriate agreements, written notice must be given at least five years prior to any withdrawal and, in the first instance, may only be given to expire no earlier than 31st August 2023.

Within the Trust Deed and the Deeds of Adherence between the Colleges and the Institute, those elements of the tangible fixed assets which are additions and/or improvements to buildings also become the property of the respective College Trustees.

Statement of Principal Accounting Policies *(continued)*

Fixed assets land and buildings were subject to a full revaluation as at 31st July 2014 under a policy of periodic reappraisal at least every five years. The revaluation was undertaken by Eddisons, a firm of chartered surveyors and the basis of valuation has varied depending upon the nature of the property. The majority of properties were valued on a depreciated replacement cost basis, others such as St Michaels & St Julies at Aigburth and Gerard Manley Hopkins at Everton at market value. The accounting policy hitherto had been to revalue all land and buildings within a class of revalued assets

The revaluation carried out as at 31st July 2014 will serve henceforth as deemed cost in accordance with the SORP and no further revaluations will be taking place.

Where buildings are acquired with the aid of specific grants the assets are capitalised and depreciated on the basis shown below. The related grants are treated as income and released to the statement of comprehensive income within the year in which the grant is received.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. During the year a partial demolition of the lecture theatre complex is considered an indication of impairment and an accelerated depreciation charge will be included. An annual impairment review is also carried out annually across the Estate.

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

Building refurbishment works are capitalised subject to a minimum threshold of £20,000 per refurbishment project. Such costs are not depreciated until the works are completed. Costs of refurbishment projects costing less than £20,000 are written off to the Statement of Comprehensive Income in the period in which they are incurred.

Equipment costing less than £10,000 per individual item or group of related items constituting a single suite of equipment is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic lives as follows, and a full year's depreciation is charged in the year of acquisition or transfer:

Land & Buildings

Buildings existing at 31 st July 2014 (As estimated) *	
New buildings	50 years
Building refurbishments (greater than £20,000)	10-30 years

Vehicles

Motor vehicles	5 years

Equipment

Computer equipment	5 years

Furniture & fittings

10 years

Statement of Principal Accounting Policies (continued)

**As part of the revaluation carried out on 31st July 2014, the estimated useful lives of the existing buildings were reassessed in consultation with the firm of chartered surveyors who had carried out the revaluation. Estimates varied from building to building, ranging from a minimum of 10 years to a maximum of 60 years.*

13. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 exclusively for charitable purposes. Subsidiary companies are liable for corporation tax for charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged as inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

14. Bursaries and Scholarships

The University provides bursaries and scholarships to students from its own revenue funds. These bursaries and scholarships are shown in the Statement of Comprehensive Income, as expenditure, and not deducted from income.

The University also distributes bursaries on behalf of the Department of Education in relation to Teacher Training. The University only acts as agent and has no interest in these funds. As such, these transactions are not recognised in the Statement of Comprehensive Income.

15. Cash Flows, Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash Equivalents are short term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the University's Treasury Management activities and policies.

16. Finance Leases

Fixed assets held under hire purchase agreements and the related hire purchase obligations are recorded in the balance sheet and these assets are depreciated over their useful life. As at 31st July 2023 the University held no such assets (£0) – 31st July 2022: net book value of £5,104,000. The asset held under this arrangement in the previous year (Gerard Manley Hopkins Hall) was reacquired by the University as an unencumbered freehold interest in July 2023.

Statement of Principal Accounting Policies *(continued)*

17. Accounting Estimates and Judgements

Preparation of financial statements requires management to make estimates, judgement and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and judgements are continually evaluated and are based on professional advice, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Impairments: Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Recoverability of Debtors: The provision for bad debts is based on our estimate on the expected recovery of the debt. Assumptions are made based on the level of debtors who have defaulted historically.

Pensions: The University operates 3 defined benefit pension schemes, the Teacher's Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF). The present value of the University obligations is dependent on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet. This does not include an obligation to make contributions to fund past deficit payments.

18. Financial Instruments

The University's principal financial instruments are cash, investments and loans. The core objective of these instruments is to meet the financing needs of the University's operations. The fair value of each category of University's financial instruments are the same as their carrying value in the statement of financial position. The University has adopted to apply the provisions of both Section 11 and Section 12 of FRS102 in full.

Statement of Comprehensive Income
Year ended 31st July 2023

	<i>Note</i>	2023 £	2022 £
Income			
Funding council grants	1	3,766,741	3,908,549
Tuition fees and short course fees	2	46,673,547	47,472,256
Research grants and contracts	3	202,846	102,970
Other operating income	4	6,640,797	6,511,686
Investment income	5	959,492	123,510
Total Income		58,243,423	58,118,971
Expenditure			
Staff costs	7	36,452,253	35,964,320
Other operating expenses	8	14,229,394	12,224,571
Depreciation	12	4,490,251	4,823,148
Interest and other finance costs	9	762,323	1,233,803
Total expenditure	11	55,934,221	54,245,842
Operating surplus		2,309,202	3,873,129
Actuarial gain in respect of pension scheme		13,230,452	37,696,927
Total comprehensive income for the year		15,539,654	41,570,056
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		15,539,654	41,570,056
		15,539,654	41,570,056

Statement of Changes in Reserves
Year ended 31st July 2023

	Unrestricted Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 1 August 2022	119,939,885	30,491,136	150,431,021
Operating surplus	2,309,202	-	2,309,202
Actuarial gain in respect of pension scheme	13,230,452	-	13,230,452
Transfers	927,398	(927,398)	-
Rounding	1	1	2
Balance at 31 July 2023	136,406,938	29,563,739	165,970,677

Statement of Changes in Reserves
Year ended 31st July 2022

	Unrestricted Reserve	Revaluation Reserve	Total
	£	£	£
Balance at 1 August 2021	77,257,393	31,603,572	108,860,965
Operating surplus	3,873,129	-	3,873,129
Actuarial gain in respect of pension scheme	37,696,927	-	37,696,927
Transfers	1,112,436	(1,112,436)	-
Balance at 31 July 2022	119,939,885	30,491,136	150,431,021

Statement of Financial Position
As at 31st July 2023

	Note	2023 £	2022 £
Non-current assets			
Tangible assets	12	133,719,104	123,699,548
Pension asset	24	15,112,000	2,862,000
		148,831,104	126,561,548
Current assets			
Debtors	13	2,064,731	1,918,092
Cash at bank and in hand		19,100,566	16,269,234
Investments	14	10,000,000	22,750,000
		31,165,297	40,937,326
Creditors: amounts falling due within one year	15	(10,073,649)	(6,446,740)
Net current assets		21,091,648	34,490,586
Total assets less current liabilities		169,922,752	161,052,134
Creditors: amounts falling due after more than one year	16	(2,845,389)	(9,420,395)
Provisions for liabilities and charges	23	(1,106,686)	(1,200,718)
Net assets excluding pension liability		165,970,677	150,431,021
Pension liability	24	0	0
Total net assets		165,970,677	150,431,021
Unrestricted Reserves:			
Income and expenditure reserve		136,406,938	119,939,885
Revaluation reserve		29,563,739	30,491,136
Total funds		165,970,677	150,431,021

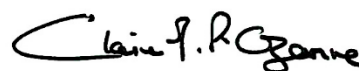
The financial statements on pages 42 to 65 were approved by the University Council on 22nd November 2023, and signed on its behalf by:



Mr J Norbury
Chair of Finance & General
Purposes Committee



Revd Cannon P Winn
Chair of University Council



Professor C. Ozanne
Rector & Vice Chancellor

Statement of Cash Flows
Year ended 31st July 2023

	2023	2022
	£	£
Cash flow from operating activities		
Surplus for the year	2,309,202	3,873,129
Adjustment for non-cash items		
Depreciation	4,490,251	4,823,148
Investment income	(959,492)	(123,510)
Interest payable	762,323	1,233,803
(Increase)/Decrease in Debtors	(146,639)	(204,676)
Increase/(Decrease) in Creditors	(2,616,400)	244,576
Increase/(Decrease) in Provisions	(11,316)	(14,516)
Pension costs	973,000	3,392,000
Adjustment for investing or financing activities		
Capital grants utilised in year	(235,602)	(1,694,414)
Net cash inflow from operating activities	4,565,327	11,529,540
Cash flows from investing activities		
Capital grants received	235,602	1,694,414
Payments to acquire fixed assets	(14,550,849)	(6,918,324)
(Gain) / Loss on tangible fixed assets	(51,432)	-
Proceeds from sale of tangible fixed assets	92,475	-
Withdrawal/ (New) Deposits	12,750,000	(13,250,000)
	(1,524,204)	(18,473,910)
Cash flows from financing activities		
Other interest received	844,492	123,510
Interest paid	(722,586)	(700,336)
Repayments of borrowed amounts	(331,697)	(1,258,006)
	(209,791)	(1,834,832)
(Decrease)/Increase in cash	2,831,332	(8,779,202)

Notes (forming part of the financial statements)

1 Funding council grants

	2023 £	2022 £
Recurrent Grant – OfS	1,517,775	2,198,285
Specific		
Engineering and Physical Sciences Research Council - EPSRC	1,553,111	1,075,702
Higher Education Innovation Fund	466,414	419,064
OfS Hardship Fund	58,839	-
EPSRC Special initiatives	120,000	184,128
Capital Grants	50,602	31,370
	3,766,741	3,908,549

2 Tuition fees and short course fees

	2023 £	2022 £
Full-time students	41,293,537	41,344,846
Full-time students charged overseas fees	2,898,577	2,414,032
Part-time students	672,723	376,625
Total fees paid by or on behalf of individual students	44,864,837	44,135,503
Short course fees	1,808,710	3,336,753
Total	46,673,547	47,472,256

3 Research grants and contracts

	2023 £	2022 £
Research councils	-	-
Research charities	10,359	44,860
Industry and commerce	103,851	34,600
Other	88,636	23,510
Total	202,846	102,970

Notes (continued)

4 Other operating income

	2023 £	2022 £
Residences, catering and conferences	6,164,872	5,099,707
Other income	390,925	528,935
Capital Grants – Equipment (Salix)	85,000	883,044
	6,640,797	6,511,686

Note: Salix grants in both years were provided in relation to capital expenditure

5 Investment income

	2023 £	2022 £
Interest receivable	959,492	123,510
	959,492	123,510

6 Grant and fee income

	2023 £	2022 £
Grant income from the OfS	1,517,775	2,198,285
Grant income from other bodies	2,248,966	1,710,264
Fee income for taught awards (exclusive of VAT)	45,300,694	45,080,714
Fee income for research awards (exclusive of VAT)	207,908	103,394
	49,275,343	49,092,657
Total	49,275,343	49,092,657

Note: excludes research grants and contracts as they are shown separately in Note 3

7 Staff costs (including directors' emoluments)

	2023 £	2022 £
Wages and salaries	27,547,817	25,019,576
Social security costs	2,750,423	2,560,754
Other pension costs	5,320,725	5,081,193
FRS102 staff pension adjustments	833,288	3,302,797
	36,452,253	35,964,320

Notes (continued)

The average numbers of staff employed by the University (FTE)	2023 Number FTE	2022 Number FTE
Academic	314	317
Administrative and technical	228	225
Manual and ancillary	102	96
	644	638

**Emoluments of the Vice-chancellor
& Rector**

	2023 Prof Claire Ozanne £	2023 Dr Penny Haughan* £	2023 Prof Gerald Pillay £	2022 Prof Gerald Pillay £
Salary	104,167	28,775	152,330	304,286
Benefits (Company Car)	-	-	2,773	6,618
Pension	19,733	3,053	36,072	72,055
Total	123,900	31,828	191,175	382,959
	From 1 March 2023	*Interim VC 1-28 February	To 31st January 2023	

The emoluments of the Vice-chancellor & Rector are shown on the same basis as for higher paid staff (excluding employer's social security contributions). The University's pension contributions to the Teachers' Pension Scheme are paid on behalf of the Vice-Chancellor & Rector at the same rate as for other academic staff (23.68%).

Historically, the Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises the experience of Professor Pillay as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

The median salary has been calculated in accordance with the guidance provided by the OfS, determining the full-year, full-time equivalent for each worker employed during the year and ranking them from high to low. In the absence of specific guidance for determining the mid-point value within this list, the University has chosen to do so by making a cumulative total of the full-time equivalent fraction (FTE) for each worker and then finding the midpoint of that cumulative total, thus taking full account of the relative statistical significance of individual workers according to their FTEs.

All payments to Directors are in respect of services as members of staff and relate to the period of office. Where appropriate these emoluments are also included in the bands for higher paid staff.

Notes (continued)

Professor Gerald Pillay

Basic Salary Ratio (Based on a median pay rate of £38,974): 7.82 times (2022: £36,358; 8.37 times)

Total Remuneration Ratio (Based on a median pay rate of £47,071): 8.12 times (2022: £43,691; 8.77 times)

Doctor Penny Haughan

Basic Salary Ratio (Based on a median pay rate of £38,974): 8.86 times (2022: not applicable)

Total Remuneration Ratio (Based on a median pay rate of £47,071): 8.11 times (2022: not applicable)

Professor Claire Ozanne

Basic Salary Ratio (Based on a median pay rate of £38,974): 6.36 times (2022: not applicable)

Total Remuneration Ratio (Based on a median pay rate of £47,071): 6.27 times (2022: not applicable)

The number of the staff, including senior post-holders and the Vice Chancellor & Rector, who received remuneration excluding employer pension contributions in the following ranges was:

	2023 Number	2022 Number
£100,000 - £104,999	2	3
£105,000 - £109,999	1	-
£110,000 - £114,999	1	-
£125,000 - £129,000	-	1
£130,000 - £134,999	-	1
£135,000 - £139,999	1	-
£140,000 - £144,999	-	1
£155,000 - £159,999	1	-
£170,000 - £174,999	1	-
£310,000 - £314,999	-	1
	<u>7</u>	<u>7</u>

Key Management Personnel

2023 £	2022 £
<u>1,157,817</u>	<u>1,319,103</u>

While administration of the University is controlled and managed by the University Council, the day to day operations are conducted by the University Senior Executive Team, the Academic Leadership Team and the Operational Leadership Team. The figure disclosed comprises total gross salaries of the University Senior Executive Team excluding employer's pension and national insurance contributions.

Severance Payments - Payments were made to 5 individual members of staff equating to £37,090.

Notes (continued)

8 Other operating expenses

	2023 £	2022 £
Residences, catering and conference operating expenses	714,206	490,731
Teaching departments	2,371,184	2,418,003
Books and periodicals	574,099	550,247
Heat, light, water and power	2,003,723	1,697,104
Repairs and general maintenance	1,961,164	1,440,337
Grants to Liverpool Hope Students' Union	260,000	252,150
External auditors' remuneration	111,718	108,440
Other support services	650,951	743,877
Administration and central services	3,585,318	3,135,535
Other income generating activities	535,622	163,739
Other operating expenses	1,460,576	1,223,969
Reimbursement of Trustees' expenses	833	439
	14,229,394	12,224,571

In 2022/23 the Trustees' expenses related to travel amounted to £833 (2021/22 - £439).

	2023 £	2022 £
External auditor's remuneration in respect of audit services	103,968	100,940
Audit related assurance services	7,750	7,500
	111,718	108,440

9 Interest and other finance costs

	2023 £	2022 £
Interest payable on bank loans not wholly repayable within five years	195,366	165,526
Pension fund interest payable	39,736	533,467
Interest payable on finance lease	527,221	534,810
	762,323	1,233,803

Notes (continued)

10 Access and Participation

	2023	2022
	£	£
Access Investment	460,217	438,240
Financial Support	400,217	309,246
Disability Support	632,547	512,511
Research and Evaluation	-	-
	1,492,981	1,259,997

As a small institution, the access and participation activities are embedded within the operations of the University and cannot be easily identified as stand-alone costs for the target student population. For some of the categories of expenditure these are subjective in nature. Therefore, the total costs are used and then a percentage of these costs shown as countable expenditure: 42% for Access Investment as 40%- 45% of the student population qualify for APP, Financial Support includes 85% of Learning Support Fund, Disability Support cost is uplifted by 25% for overheads.

£701,831 of these costs relates to staff costs and have already been included in the overall staff expenditure figure in note 7.

£58,839 of funding was received from the Office for Students in 2022/23 as a cost of living grant for students. 85% of this figure (£50,013) is included in the 2022/23 Financial Support figure above.

https://www.hope.ac.uk/media/aboutus/governancedocuments/LiverpoolHopeUniversity_APP_2020-21_V1_10003956%20submitted%2002-02-21.pdf

11 Analysis of expenditure

	Staff costs	Depreciation	Interest payable	Other operating expenses	Total
	£	£	£	£	£
Academic departments	22,107,415	-	-	2,371,184	24,478,599
Academic support services	2,071,066	-	-	1,534,688	3,605,754
Other support services	2,124,313	-	-	910,951	3,035,264
Administration and central services	4,695,880	-	-	3,697,869	8,393,749
General education expenditure	-	-	-	60,375	60,375
Premises	2,991,294	-	-	4,404,499	7,395,793
Other income generating activities	458,349	-	-	535,622	993,971
Residences, catering and conferences	1,170,648	-	-	714,206	1,884,854
Depreciation	-	4,490,251	-	-	4,490,251
Interest payable	-	-	762,323	-	762,323
FRS 102 pension costs adjustment	833,288	-	-	-	833,288
Total per statement of comprehensive income	36,452,253	4,490,251	762,323	14,229,394	55,934,221

Notes (continued)

12 Fixed Assets	Assets in the course of construction	Land and Buildings	Equipment	Vehicles	Total
	£	£	£	£	£
Deemed cost					
At 1 August 2022	1,069,735	146,308,921	12,230,893	179,461	159,789,010
Additions at cost	10,063,503	3,353,811	1,133,535	-	14,550,849
Disposals at cost	-	(30,000)	-	(55,211)	(85,211)
Transfers	(546,620)	546,620	-	-	-
At 31 July 2023	10,586,618	150,179,352	13,364,428	124,250	174,254,648
Depreciation					
At 1 August 2022	-	27,008,077	8,953,064	128,321	36,089,462
Eliminated on disposals	-	-	-	(44,169)	(44,169)
Charge for the year	-	3,709,349	767,625	13,277	4,490,251
At 31 July 2023	-	30,717,426	9,720,689	97,429	40,535,544
Net book value					
At 31 July 2022	1,069,735	119,300,844	3,277,829	51,140	123,699,548
At 31 July 2023	10,586,618	119,461,926	3,643,739	26,821	133,719,104

Included in the net book value of land and buildings is £7,543,437 which relates to Gerard Manley Hopkins Hall, formerly held under a hire purchase agreement. This includes a net premium of £2,673,097 paid in July 2023 to acquire the unencumbered freehold. This net premium has been treated as an addition to land and buildings. The net premium consisted of £9,000,000 less the outstanding hire purchase creditor.

Fixed assets include £8,921,000 in relation to land. The land has not been depreciated in the accounts.

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year		
Trade debtors	943,116	1,262,959
Sundry debtors	29,056	17,787
Prepayments and accrued income	1,092,559	637,346
	2,064,731	1,918,092

Notes (continued)

14 Investments

	2023 £	2022 £
Deposits maturing in one year or less	10,000,000	22,750,000
July 2023 – one fixed term 12 months deposit with Santander for £10,000,000.	<u> </u>	<u> </u>

£5 million was deposited with Rathbones Bank as a fixed term investment in August 2022. The decision to liquidate this investment was made post year end, and these funds are included within Cash at bank.

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Loans	352,661	331,697
Trade creditors	2,659,119	765,167
Social security and other taxation payable	1,401,051	1,302,732
Accruals and deferred income	5,660,818	4,047,144
	<u> </u>	<u> </u>
	10,073,649	6,446,740
	<u> </u>	<u> </u>

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Loans secured on residential and other property repayable by 2030	2,845,389	3,198,050
Obligations under hire purchase agreement	-	6,222,345
	<u> </u>	<u> </u>
	2,845,389	9,420,395
	<u> </u>	<u> </u>

Analysis of secured and unsecured loans:	2023 £	2022 £

Due within one year or on demand (Note 15)	352,661	331,697
Due between one and two years	372,676	352,662
Due between two and five years	1,252,592	1,184,356
Due in five years or more	1,220,121	1,661,032
	<u> </u>	<u> </u>
Debt due after more than one year	2,845,389	3,198,050
	<u> </u>	<u> </u>
Total secured and unsecured loans	3,198,050	3,529,747
	<u> </u>	<u> </u>

Notes (continued)

Interest/terms on loans	Original Value £	Interest rate %	Basis	Number of years remaining
Student accommodation	8,300,000	5.72 1.10	£7m Fixed £1.3m Variable	8

The loan relates to student accommodation and is secured on the relevant asset of the University. The loan will be repaid by instalments over the period of the loan.

17 Lease Obligations

	2023 £	2022 £
Total payable under hire purchase agreement		
Later than 1 year and not later than 5 years	-	163,326
Later than 5 years	-	6,059,019
Total payment due	-	6,222,345

The lease arrangement was repaid in full in July 2023

18 Reconciliation of cash flow to Statement of Financial Position

	2022 £	Cash flows £	2023 £
Cash at bank	16,269,234	(2,343,563)	13,925,672

19 Capital and other commitments

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

	2023 £	2022 £
Capital commitments	6,288,983	12,676,279

Notes (continued)

20 Training bursary payments

	2023 £	2022 £
Grant paid by Department of Education (DfE)	967,500	1,566,700
Payments to trainees	(991,400)	(1,538,300)
Grant due to/(from) DfE at end of year	(23,900)	28,400

During the year the University administered the Training Bursary Scheme for PGCE students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

21 Related party disclosures

Due to the nature of the University's operations and the composition of the University 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 Board may have an interest. All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Council members declare their interests and the University updates the register of interests annually.

Included in the financial statements are the following transactions with related parties:

	Income £	Expenditure £
Prof Gerald Pillay		
Former Vice Chancellor (sale of car at market valuation)	25,000	-
Prof Clare Ozanne		
Vice Chancellor (rent of accommodation)	6,000	-
Fr Christopher Fallon		
Chair, Ministry steering group o.b.o. Archdiocese of Liverpool	62,981	-
Fr Christopher McCoy		
Governor, Holy Spirit Primary School	1,386	5,070
Ms Lesley Martin-Wright		
Company Secretary, Knowsley Chamber of Industry & Commerce	-	7,881
Dr Penny Haughan		
Chair of Governors, Locking Stumps Community Primary School	14,560	-

Notes (continued)

	Income £	Expenditure £
Ms Jean Ellis		
Director, Health @ Work Consultancy Services Ltd	-	2,160
Very Rev Sue Jones		
Dean of Liverpool, Director of the Diocese of Liverpool	8,073	-

The nature of expenditure transactions relates to payments to schools on behalf of students, secondment agreements for primary teaching staff and a subscription. With the exception of £7,200 outstanding to Knowsley Chamber of Commerce (paid 16th August 2023), all payments were made during the financial year 2022/23 and there were no debtors or creditors at the year end.

22 Connected Charitable Institutions

The University is connected to one charitable institution, Liverpool Hope Carter Preston Foundation which was set up in its current state in April 2012. The University appoints two of the trustees. The Foundation has minimal income and expenditure related to its investments and administration. The net book value of Heritage assets on the Statement of Financial Position were £307,421 and the Foundation had £107,725 in its current account as at 31 July 2022.

23 Provisions for liabilities and charges

	Obligation to fund deficit on USS pension £	Pension enhancement on termination £	Total pension provision £
At 1 st August 2022	1,124,728	75,990	1,200,718
Movement in year	(85,543)	(11,316)	(96,859)
Interest cost	37,228	2,508	39,736
Actuarial loss	(27,189)	(9,720)	(36,909)
	1,049,224	57,462	1,106,686

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 this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below:

	2023	2022
Discount Rate	5.52%	3.31%
Salary Growth	4.47%	4.60%

Following the conclusion of the 2020 valuation and subsequent negotiations the agreed contribution rates are in force from 1 April 2022.

Notes (continued)

24 Pension and similar obligations

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension Fund (MPF) for non-academic staff. The total pension cost for the period was £5,332,486 (2022: £5,006,506).

	2023 £	2022 £
As at 1 August	(2,862,000)	31,358,000
(Decrease)/Increase in liability	(12,250,000)	(34,220,000)
As at 31 st July	(15,112,000)	(2,862,000)
The University's pension (asset)/ liability is analysed as follows:	£	£
Greater Manchester Pension Fund	(14,781,000)	(2,520,000)
Merseyside Pension Fund	(331,000)	(342,000)
	(15,112,000)	(2,862,000)

Accounting Surplus

LGPS surplus can only be recognised to the limit of the present value of the projected future service rates. The GMPF surplus of £14,781k can be fully recognised as the present value of projected services costs is greater than the surplus, the fund is open to new members and is therefore valued in perpetuity. The MPF actuary, Mercer, provided a valuation of the schemes present value of future accounting service costs in the case of both closed and open schemes. Given the low membership of the scheme, and therefore uncertain future membership, MPF has been treated as a closed scheme and the accounting surplus has been limited to £331k as per the Mercer report. This is in place of the actuarial valuation of £1,190k.

Teachers' Pension Scheme (TPS)

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

Notes (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 23.68% of pensionable pay;
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion
- an employer cost cap of 10.9% of pensionable pay.

The employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

[TPS 31 March 2016 Actuarial Valuation Report](#)

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

Notes (continued)

The pension costs paid to TPS in the year amounted to £3,109,001 (2022: £2,720,497).

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded defined benefit scheme, with the assets held in a separate trustee administered fund. The total contribution made for the year ended 31 July 2023 was £2,572,000 of which employer's contributions totalled £1,911,000 and employee's contributions totalled £661,000. The agreed contribution rates for future years are 19.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The CPI assumption has been adjusted to recognise the impact of the 2024 PI Order and its medium and long term effects on discount rates and inflation. The CPI assumption has been updated to make allowance for inflation experience since September 2022 being higher than assumed. This adjustment has resulted in the CPI assumption being 0.25% p.a. higher at short durations (less than 17 years), 0.20% higher at medium durations (between 17 and 23 years) and 0.15% higher at long durations (more than 23 years), compared to the assumption that would have been derived using the methodology adopted at 31 July 2022

The following information is based upon a full actuarial valuation of the fund as 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	2023	2022	2021
Rate of increase in salaries	3.80%	3.45%	3.55%
Rate of increase in pensions in payment/inflation	3.00%	2.70%	2.80%
Discount rate for liabilities	5.05%	3.50%	1.60%
Commutation of pension to lump sums	55.00%	55.00%	55.00%

The mortality assumptions as at 31 July 2023 include sufficient allowance for future improvements in mortality rates in line with the latest Continuous Mortality Investigation (CMI) The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the latest triennial valuation.

	At 31 July 2023	At 31 July 2022	At 31 July 2021
Retiring today			
Males	20.20	20.30	20.50
Females	23.70	23.20	23.30
Retiring in 20 years			
Males	21.20	21.60	21.90
Females	24.70	25.10	25.30

The sensitivities regarding the principal assumptions used to measure the scheme obligations are:

Change in assumptions at 31 July 2023	Approximate % Increase to DBO	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	1,190
1 year increase in member life expectancy	4%	2,276
0.1% increase in the Salary Increase Rate	0%	149
0.1% increase in the Pension Increase Rate (CPI)	2%	1,061

Notes (continued)

The University's share of assets in the scheme (which is estimated at less than 1% of total scheme assets) and the estimated rates of return (are based on actual returns to 30th June 2023 and adjusted to calculate the estimated returns as at 31st July 2023) were:

	Value at 31 July 23 £000	Value at 31 July 22 £000	Value at 31 July 21 £000
Equities	50,886	48,152	45,290
Bonds	10,034	10,622	9,705
Property	5,734	6,373	4,529
Cash	5,017	5,665	5,176
Share of total market value of assets	71,671	70,812	64,700
Present value of scheme liabilities			
- Funded	(56,868)	(68,268)	(95,861)
- Unfunded	(22)	(24)	(27)
Surplus/(Deficit) in the scheme	14,781	2,520	(31,188)

Analysis of the amount charged to the Statement of Comprehensive Income

	2023 £000	2022 £000	2021 £000
Current service cost	(2,807)	(4,975)	(4,158)
Past service cost (including curtailments)	(12)	(50)	0
Total service cost	(2,819)	(5,025)	(4,158)

Analysis of pension finance income

	2023 £000	2022 £000	2021 £000
Interest income on plan assets	2,495	1,042	749
Interest cost on defined benefit obligation	(2,423)	(1,567)	(1,171)
Total net interest	72	(525)	(422)
Total defined benefit recognised in the statement of comprehensive income	(2,747)	(5,550)	(4,580)

Notes (continued)

Movement in deficit during year	2023 £'000	2022 £'000
Surplus/(Deficit) in scheme	2,520	(31,188)
Movement in year:		
- Current service charge	(2,807)	(4,975)
- Past service charge (including curtailments)	(12)	(50)
- Net interest / return on assets	72	(525)
- Contributions	1,911	1,694
- Remeasurements recognised in the Statement of Comprehensive income	13,097	37,564
Surplus/(Deficit) in scheme at end of year	14,781	2,520

History of experience gains or losses

	2023 £	2022 £	2021 £	2020 £	2019 £
Return on assets excluding amounts included in net interest	(2,699)	4,134	9,903	(3,826)	1,528
Value of Assets	71,671	70,812	64,700	53,058	54,800
% of scheme assets	(3.77%)	5.84%	15.31%	(7.21%)	2.79%
Experience gains and losses on scheme liabilities	(15,796)	(33,430)	9,266	4,925	7,143
Total present value of liabilities	(56,890)	(68,292)	(95,888)	(81,975)	(72,680)
% of Total present value of scheme liabilities	27.77%	48.95%	(9.66%)	(6.01%)	(9.83%)
Actuarial gain/(loss) recognised in statement of comprehensive income	13,097	37,564	637	(8,751)	(5,615)
% of the present value of liabilities	(23.02%)	(55.00%)	(0.66%)	10.68%	7.73%

Merseyside Pension Fund (MPF)

The MPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2023 was £19,000 of which employer's contributions totalled £2,000 and employees' contributions totalled £17,000. The agreed contribution rates for future years are 64.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	2023	2022	2021
Rate of increase in salaries	4.20%	4.20%	4.10%
Rate of increase in pensions in payment/inflation	2.80%	2.80%	2.70%
Discount rate for liabilities	5.30%	3.40%	1.60%
Commutation of pension to lump sum	50.00%	50.00%	50.00%

Notes (continued)

The mortality assumptions as at 31 July 2023 include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 this is mainly because there remains uncertainty of the Covid-19 impact on long term mortality rates for pension scheme members. This will be monitored in future periods and will be updated as appropriate. The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the latest triennial valuation.

	At 31 July 2023	At 31 July 2022	At 31 July 2021
Retiring today			
Males	20.80	20.90	21.00
Females	23.30	24.00	24.10
Retiring in 20 years			
Males	22.10	22.40	22.60
Females	25.10	25.90	26.00

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the estimated rates of return (are based on actual returns to 30th June 2023 and adjusted to calculate the estimated returns as at 31st July 2023) were:

	Value at 31 July 23 £000	Value at 31 July 22 £000	Value at 31 July 21 £000
Equities	2,980	3,020	3,417
Bonds – government	865	1,772	226
Bonds – other	269	661	1,894
Property	688	670	629
Cash & other	1,749	2,042	1,894
IFRIC14 surplus adjustment	(859)	(896)	-
Total market value of assets	5,692	7,269	8,060
Present value of scheme liabilities			
- Funded	(5,356)	(6,923)	(8,224)
- Unfunded	(5)	(4)	(6)
	331	342	(170)

Analysis of the amount charged to the Statement of Comprehensive Income

	2023	2022	2021
	£000	£000	£000
Employer service cost (net of employee contributions)	(66)	(62)	(45)
Past service cost	0	0	0
Total operating credit/(charge)	(66)	(62)	(45)

Notes (continued)

Analysis of pension finance income/(costs)

	2023 £000	2022 £000	2021 £000
Interest on plan assets	273	127	108
Interest on pension scheme liabilities	(230)	(128)	(122)
Pension finance costs	43	(1)	(14)
	2023 £000	2022 £000	2021 £000
Actual return on plan assets	(1,617)	244	914
Experience gains and losses arising on the scheme liabilities	190	(465)	152
Change in financial and demographic assumptions underlying the scheme liabilities	1,401	1,691	(207)
IFRIC14 surplus adjustment	(859)	(896)	
Total remeasurement included within statement of comprehensive income	(885)	574	859

Movement in deficit during year

	2023 £000	2022 £000	2021 £000
Deficit in scheme at beginning of year	342	(170)	(971)
Movement in year:			
Current service charge	(66)	(62)	(45)
Contributions	2	2	2
Past service costs	0	0	0
Administration costs	(1)	(1)	(1)
Settlements and Curtailments	-	-	-
Net interest/return on assets	43	(1)	(14)
Actuarial gain	(26)	1,470	859
IFRIC14 surplus adjustment	37	(896)	
Surplus/(Deficit) in scheme at end of year	331	342	(170)

Notes (continued)

History of experience gains or losses

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Return on assets excluding amounts included in net interest	(1,617)	244	914	(82)	229
Value of assets	5,692	7,269	8,060	7,331	7,444
% of scheme assets	(28.41%)	3.36%	11.34%	(1.12%)	3.08%
Experience gains and losses on scheme liabilities	(1,591)	(1,226)	55	(342)	1,010
Total present value of liabilities	(5,361)	(6,927)	(8,230)	(8,302)	(8,671)
% of Total present value of scheme liabilities	29.7%	17.7%	(0.67%)	4.12%	(11.65%)
Actuarial gain/(loss) recognised in statement of comprehensive income	(885)	574	859	260	(781)
% of the present value of liabilities	16.51%	(8.29%)	(10.44%)	(3.13%)	9.01%

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate have increased significantly since 31 July 2023, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

25 Financial Instruments

The University operates a treasury management function which is responsible for managing the credit, liquidity and interest risk. These financial risks are managed within the parameters specified in the approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Chartered Institute of Public Practice (CIPFA)'S 'Treasury Management in the Public Services: Code of Practice.

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

Credit risk arises from bank balances, investments, student debtor and commercial customers. Student and commercial debtors are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain, or written off if deemed irrecoverable.

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Daily, weekly and monthly monitoring of cash position and regular cashflow forecasts are part of the control environment and planning throughout the year. The University policy is to maintain a balance of no more than £10m with any single banking organisation.

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in the value of balance sheet items.

The fair values of each category of the University's financial instruments are the same as their carrying value on the statement of financial position.

Notes (continued)

Financial Assets	2023 £	2022 £
Investments	10,000,000	22,750,000
Trade & Other Receivables	972,171	1,276,296
Cash & Cash Equivalents	19,100,566	16,269,235
	30,072,737	40,295,531

Financial Liabilities	2023 £'000	2022 £'000
Loans	3,198,050	3,529,747
Trade & Other Payables	2,659,119	765,167
	5,857,169	4,294,914

26 Reconciliation of Net Debt

	2023 £	2022 £
Net Debt at 1 August	(6,517,144)	(14,068,992)
Movement in Cash & Cash Equivalents	2,831,332	(8,779,202)
Other non-cash changes	(12,216,704)	16,331,050
Net Debt at 31 July	(15,902,516)	(6,517,144)
Change in Net Debt	(9,385,372)	7,551,848

Analysis of Net Debt

	2023 £	2022 £
Cash & Cash Equivalents less:	19,100,566	16,269,235
Borrowings: amounts falling due within 1 year		
Secured Loans	352,661	331,697
Borrowings: amounts falling due after 1 year		
Secured loans	2,845,389	3,198,050
Obligations under finance lease	0	6,222,345
Net Debt	(15,902,516)	(6,517,144)

Accounts



**LIVERPOOL
HOPE
UNIVERSITY**

Est. 1844



FINANCIAL STATEMENTS for year ending 31st July 2022

Registered Company Number: 3285547

A company limited by guarantee, without share capital, registered in England

Registered Charity number: 1060579

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Members of the University Council

The following persons served as governors during the year ended 31st July 2022 or were members as at 23rd November 2022 when these financial statements were approved. In the case of those who became or ceased to be governors during the year, the appropriate dates are shown.

The governors are generally appointed for a period of three years. Each year they sign a register of interests. All the members of the Council are Trustees of the University and directors of the Company.

Revd Canon P Winn	Chair
Mrs J Beever	Vice-Chair
Mr Tim Alderman (Joined 2 nd August 2021)	
The Right Reverend Paul Bayes (Resigned 25 th March 2022)	
Cllr Jane Corbett (Resigned 23 rd November 2021)	
Ms Anne-Marie Costello (Joined 9 th September 2021)	
Dr Edwin Djabatey (Joined 3 rd September 2021)	
Ms Jean Ellis	
Revd Canon C Fallon	
Dr Penny Haughan	
The Very Reverend Dr Sue Jones	
Fr C. McCoy	
Ms Lesley Martin-Wright (Joined 2 nd August 2021)	
Ms Erin Meharry (Joined 12 th July 2022)	
Revd Canon Professor K Newport	
Dr A. Naylor	
Mr J Norbury	
Fr M O'Dowd	
Ms Clara Priestley (Resigned 11 th July 2022)	
Ms Paula Raper	
Mr U Russell	
Ms Deborah Shackleton (Joined 13 th October 2022)	
Mrs M Swinson	
Dr Caroline Wakefield	
HH Judge Graham Wood QC	
Professor GJ Pillay	Vice Chancellor and Rector
Mr D Dykins	Secretary

Vice-Chancellor Remuneration Committee

Mrs J Beever
Reverend P Winn
Mr J Norbury
Dr A Naylor

Senior Salaries Remuneration Committee

Mrs J Beever
Reverend P Winn
Mr J Norbury
Dr A Naylor
Professor GJ Pillay (except for discussion of his own salary)

Members of the University Council *(continued)*

Finance & General Purposes Committee

Mr J Norbury (Chair)
Fr C. McCoy
Ms Jean Ellis
Professor GJ Pillay

Audit Committee

Dr Arthur Naylor (Chair)
Mrs J Beever
Ms L Martin-Wright
Mrs S Suchoparek

Nominations Committee

Revd Canon P Winn (Chair)
Professor GJ Pillay
Mrs J Beever

Advisers

External Auditor: KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Bankers:	Lloyds Bank Merchants Court 2-12 Lord Street Liverpool L2 XF	Santander 7 th Floor 4 St Paul's Square Liverpool L3 9SJ	HSBC Bank 9 th Floor Royal Liver Pier Head Liverpool L3 1HU

Barclays plc
48B & 50 Lord Street
Liverpool
L2 1TD

National Westminster Bank plc
10th Floor, The Plaza
100 Old Hall Street
Liverpool, L3 9QJ

Internal Auditor: RSM Risk Assurance Services LLP
14th Floor, 20 Chapel Street
Liverpool
L3 9AG

Strategic Report

Corporate Plan and Strategic Objectives

The essence of what Liverpool Hope is striving to deliver is clearly summarised in the Corporate Plan – a path of excellence in scholarship and collegial life without reservation or hesitation. The University's distinctive philosophy is to 'educate in the round' – mind, body and spirit - in the quest for Truth, Beauty and Goodness. At the heart of the University is the idea of the Collegium: an academic community of scholars providing a nurturing environment to stimulate and foster advancement of all its students. The University is committed to making educational opportunities available to all, regardless of background and to the transformation of its students into graduates that are prepared for the world of work.

The Corporate Plan, updated in 2020, provides the strategic framework within which the University operates. The five core areas identified within the plan, have remained consistent for several years, and underpin and inform all the strategic planning of the University:

- high quality academic pursuit
- knowing our students one by one – deepening the culture of the collegium
- a transformational experience for students and all those we serve
- an enterprising University that is financially self-sufficient
- a distinctive place for learning

In the challenging circumstances of the pandemic, our nature and mission as an institution became even more evident. The University's strength is in its collegium and the wider Hope community. The loss of face-to-face teaching and move online was in conflict with our culture of a personal approach to education based on relationships. Therefore, in 2021/22, the University managed to successfully deliver all its courses and support services back on campus and face-to-face.

Academic Profile

One of the key strategic aims of the University is to continue to develop the academic profile through its student body and the quality of its academic staff recruitment and development.

The latest published data (2020/21) from HESA (Higher Education Statistics Agency), shows that 74% of academic staff are qualified to doctoral level. A rigorous appointment process ensures that we only appoint staff who meet our requirements and improve the University's academic profile. The intention is to achieve a minimum of 85% of academic staff with doctorates, with the remainder as Professional Tutors, bringing experiential practice in areas such as Education, Law and Accountancy.

Liverpool Hope University is a vibrant community with high scholarly standards. We are proud of our past, confident in our present, and ambitious for our future research goals. We submitted over 96% of our Research active staff (colleagues with Significant Responsibility for Research) in thirteen Units of Assessment for REF 2021. All 13 subject units were assessed as having aspects of their work in Internationally Excellent (3*) or World Leading (4*) categories. The subjects submitted were English Language and Literature; Theology and Religious Studies; Psychology; History; Computer Science and Informatics; Nutrition; Sport and Exercise Sciences; Geography and Environmental Studies; Politics and International Studies; Education; Music, Drama, Dance, Performing Arts; Social Work and Social Policy; Art and Design. We are a research-informed, teaching-led University of distinction, our policy is to combine these elements and continue to expand the University's academic profile.

The University is continually developing its research profile and has an ambitious agenda for the future to build on the already impressive 2021 results. All new academic staff appointed to the University as lecturers or senior lecturers must either already be research active at 3* or above or have the proven capacity, willingness and ability to become research active at this level for the next REF. Our REF2021 submission of over 96% of research active staff is an indicator of the inclusive and broad-based research culture in the University which is taking shape as a research intensive institution with a solid foundation to build upon going forward.

Strategic Report *(continued)*

The University continued to maintain the entry requirements for young full-time degree students in 2021/22, at an average of 116 points (2020/21-117 points, 2019/20 115 - points). At the same time, recruitment continues to increase year-on-year, especially in the areas of Foundation Year and International.

Reputation

Liverpool Hope University was one of only eighty Initial Teacher Training (ITT) providers to be successfully accredited by the Department for Education (DfE) in the first Round for accreditation. This means the University is in a strong position to continue to deliver ITT leading to Qualified Teacher Status (QTS) from September 2024 onwards and successfully meeting all the remaining requirements is a key objective for 2022/23 and 2023/24. The small number of institutions successful in the first round, received a high level of national scrutiny and subsequently raised the status and profile of Liverpool Hope University in relation to its expertise in Initial Teacher Education.

The accreditation process is designed to ensure that providers are able to deliver high quality teacher training against a set of new Quality Requirements and we are pleased that our provision has met this benchmark. This achievement allows us to continue our partnership commitment to train the very best Hope Teachers who are creative, proactive and reflective and are dedicated to inspire and influence the lives of children.

There are now 179 providers accredited following a second round. 163 of those were existing providers but there are now 15 new providers who have gained approval to start offering courses.

The National Student Survey (NSS) result for 2022 were encouraging. Of the 12 North West Universities, Hope was ranked in the top 5 in 9 of the 10 categories and 2nd in the following 4 categories:

- Assessment and Feedback
- Learning Community
- Students Voice
- Students Union

The Complete University Guide for 2023 covers 128 Universities and for items 1 to 3 above, Liverpool Hope was listed in the top 20 in the country.

Widening Participation / Access and Participation

The University is committed to the Widening Participation agenda and invests considerable money and effort each year on its work with schools and young people. This can be clearly demonstrated by our work in the Network of Hope, providing educational opportunities for people and communities with limited access to higher education. The University's Access and Participation Plan has been accepted by the Office for Students and we will continue to strive to ensure that all students have the same opportunities to succeed regardless of race, background or financial hardship.

The University has continued to provide hardship funding for students who experience financial difficulties and scholarships to reward academic excellence. The University also continued to invest in a range of facilities and services to support disabled students, ensuring they were not disadvantaged in any way and are able to fully participate in the life of the University. In 2021/22, 24.7% of Liverpool Hope students had a declared disability. This is significantly higher than the sector average, and reflects the caring nature of the institution and level of support provided.

The expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The total expenditure in the four categories was £1,259,997. While this is £268,421 lower than 2020/21, the 2020/21 figure included £330,637 of hardship payments funded directly by the Government. So, in reality, the level of University expenditure has increased by 5%.

Strategic Report *(continued)*

The impact of the pandemic continued to be felt during 2021/22 and the University did not quite meet the APP target for expenditure for the year. The shortfall was £47,513 (6%). Now that we are fully back on campus, the University has set up a monitoring group and a range of activities are taking place which will lead to increased expenditure in 2022/23.

Capital Developments

In line with the Corporate Plan objective to provide a distinctive place for learning, the University has continued to invest in its buildings, equipment and infrastructure with spend of £6.918 million during 2021/22. All expenditure was fully financed by using the University cash reserves.

Several major refurbishment projects were completed in 2021/22 including: the restoration of the Hermitage and Cloisters listed buildings at the Aigburth campus (£2.245 million), refurbishment and decarbonization of residential accommodation at the Aigburth campus (£2.745 million) and the refurbishment of an existing building at Hope Park to repurpose as a dedicated building for the Geography department (£720k).

The University had successfully applied for a Salix grant of £888,000 to partly fund decarbonisation works at St Julies, one of the residential blocks at Aigburth, and this money was received in 2021/22. A further Salix grant of £85,000 was granted at the year-end in relation to decarbonization work on the Trinity building at Aigburth. This work will complete in 2022/23. The University continues to make progress on meeting its Carbon Management targets.

At the end of 2021/22, the University formally started the IQ Building project. This 52 weeks, £13.2 million building at the Hope Park Campus, will incorporate the existing Lecture Theatre Complex and will be a flagship Learning and Teaching building. These new facilities will improve the student experience by providing access to a range of different learning and teaching methods, including new technologies such as the use of VR within a Simulation Suite. The building will be completed for the start of the 2023/24 academic year. The building is being fully paid for from cash reserves.

Finance

The University takes financial performance seriously and has robust financial processes and procedures in place to ensure the financial sustainability of the University is always protected. The delivery of strong financial results has ensured that resources are always available, as and when required, to support the academic aspirations of the University and to provide the flexibility to respond to the demands of a rapidly changing sector.

a) Budget management

In 2021/22, the University's budget was devolved to the primary budget holders - the four members of the University Senior Executive Team (USET) who report directly to the Vice-Chancellor & Rector and the ten Heads of Schools / Departments.

Budget management is one of the key performance measures for USET and the Heads of Schools. Monthly variance reports are provided and each budget holder is supported by a Finance Officer who they meet each month to ensure budgets are monitored carefully. There are two reforecast exercises each year and the budget is reviewed in detail each year, with only permanent staffing automatically rolled over.

b) Results for the Year

The University took a prudent approach to budget setting in 2021/22. The continuing level of uncertainty caused by the pandemic, the frozen tuition fees level and inflationary pressures, meant delivery of a surplus at the same level as 2020/21 would not be achievable. The objective was to protect a minimum surplus level of 3% and to grow the cash reserves.

Strategic Report *(continued)*

Two reforecasts take place during the year, and at the March 2022 reforecast, the target surplus was increased from 3% to 7%. It was expected that the year end result would exceed this, as a material contingency had been retained. However, a higher than expected FRS 102 staff adjustment, and accelerated depreciation on part of the existing Lecture Theatre Complex to facilitate the IQ building, meant the final result was 6.66% of income.

The University's Statement of Comprehensive Income and results for the year to 31st July are summarised below.

	2021/22	2020/21
	£000	£000
Income	58,119	55,012
Expenditure	54,246	48,983
Operating surplus	3,873	6,029

The OfS has stated that taken alone, surpluses or deficits are not necessarily a clear indicator of financial viability or sustainability as they can be distorted by accounting treatments. With this in mind the OfS suggests net operating cashflow is a better indicator of a providers underlying financial performance. The cash generated by the University during the year was £11,529,540, 20% of income. (2020/21 £15,424,298 28% of income). This demonstrates the strength of the underlying financial position.

The Statement of Comprehensive Income for the year is set out on page 29.

Student Numbers

As at 31st July 2022 the University had 5,452 students (31st July 2021 – 5,602).

	Full Time Students	Part Time Students
Undergraduate	3,885	105
Postgraduate (taught)	373	407
Postgraduate (research)	36	101
PGCE	465	25
Other	55	-
	4,814	638

Treasury Management Policy

Cash at bank and investments had increased by £4,470,798 to £39,019,235 over the 12 months period to July 2022. Given the uncertainty across the sector, the University is gradually increasing its cash reserves to ensure that it has the flexibility to respond to unexpected developments and also to fund the capital programme. All investments are made in line with the University Treasury Management Policy, ensuring that investments are ethical and risk averse.

The outstanding value of the University bank loans had reduced to £3,529,747 at the year-end (2021 - £4,787,754) and no new loans were taken out in 2021/22. During the year, the University had settled three small loans that were due to finish in the next couple of years. In addition, early settlement of the variable element on the larger loan was finalised. In 2011 the University took the opportunity to take over a lease arrangement for Hopkins Hall and bring it back under our control. The value of the creditor at July 2022 was £6,222,345. All borrowing is undertaken in the name of the University and conforms to OfS requirements. The Treasury Management policy is updated annually and was revised in June 2022.

Strategic Report *(continued)*

Major Risks

The University takes the management of risk seriously. Where a risk is seen as a threat, mitigations are identified and put in place. However, risks can also be seen as opportunities and the University is not risk averse. Rather, it will take a measured approach to opportunities to achieve its strategic objectives.

Through its Risk Register, which is reviewed at Operational Leadership Meetings, and overseen by the Audit Committee on behalf of University Council, key risks, which are not all directly financial, are highlighted. These might be compliance or accountability risks such as data returns, health & safety, safeguarding matters or they might be reputational such as quality audits and inspections. The University has a comprehensive internal control system to manage risk. This includes a program of work by the internal auditors which directly addresses the major risks identified in the risk register.

The Risk Register is a dynamic document, updated as required to reflect changing circumstances. Many of the risks have financial consequences for example recruitment and retention. Other risks pose business continuity challenges: for example, the prevalence of cyber attacks in the sector. The risk register is used to identify the key financial risks to the institution and financial modelling of these scenarios is undertaken. As we enter 2022/23 the key financial risks are the inflationary pressures caused by the economic crisis, particularly in relation to staffing and utilities costs, and the static tuition fee rate. While not complacent, all of the financial modelling undertaken to date provides reassurance of the University's long-term financial sustainability.

The University continues to scan the policy environment and is fully engaged with sector bodies and local, regional and national partners.

Despite these challenges and risks, the University is confident that it has a clear strategic vision underpinning the objectives of the Corporate Plan and can adapt to, manage and minimize the risks above. This vision is endorsed by the University Governance structure and ownership is embedded in all senior management. We enter 2022/23 confident that we will be able to flourish and thrive.

Directors' Report

Legal status

Liverpool Hope University was re-constituted in 2005 by order of the Privy Council under Section 129B of the Education Reform Act 1988, as a single, joint Anglican-Roman Catholic ecumenical University. It is registered in England and Wales as a Company Limited by Guarantee (3285547) and registered as a Charity (1060579).

Liverpool Hope University is the only ecumenical University in Europe, whose origins lie in colleges (one Anglican College founded in 1844, two Catholic Colleges founded in 1856 and 1965) which came together first in a federation, known as Liverpool Institute of Higher Education and then through full merger as a single ecumenical college. In 2002 taught degree awarding powers were secured and the title Liverpool Hope University College officially bestowed. In July 2005 the granting of full University status led to the adoption of the title Liverpool Hope University and in August 2009, the Privy Council granted the University the power to award research degrees. In the academic and financial year 2021/2022 there were 5,452 students and 638 members of staff, with a range of degrees at undergraduate and postgraduate levels.

Members of the University Council – (list of directors can be found on page 1)

All the members of the University Council are directors of the Company. No director had any interest in any contract made by the University during the financial year, other than a contract of employment as a member of staff and that described in note 21 to the accounts.

Directors' Report *(continued)*

Mission Statement

The Mission Statement reflects both the University's traditions and its intention to develop and maintain a distinctive and forward-looking programme relevant to local, regional, national and international needs.

Liverpool Hope University is an ecumenical, Christian foundation which strives:

- to provide opportunities for the well-rounded personal development of all students;
- to educate the whole person in mind, body and spirit, irrespective of age, social or ethnic origins or physical capacity, including in particular those with promise who might otherwise not have had an opportunity to enter higher education;
- to be a provider of high quality educational programmes responsive to the needs of students in the UK and abroad;
- to sustain an academic community, enriched by Christian values and culture, which supports teaching and learning, scholarship and research, encourages the understanding of other faiths and beliefs, and promotes religious and social harmony;
- to be globally credible while contributing to the educational, religious, cultural, social and economic life of Liverpool, Merseyside, North-West England and beyond.

Employee Involvement

The University places considerable value on the involvement of its employees and on good communication with them. Staff are encouraged to participate in formal and informal consultation at University, School and department level, sometimes through membership of formal Committees. The Vice-Chancellor addresses all staff at the start of the academic year and during Covid sent regular letters to the staff to keep them informed of plans. The Vice-Chancellor, meets all Academic Leaders and Operational Leaders with his senior team at least twice a term but more regularly if required.

There is a system of cascading information from those meetings to all staff and departments and service areas are expected to hold regular staff meetings to enhance two-way communication.

The University's People 2020 Strategy has a strategic strand to enhance engagement with and of staff. The Joint Consultative and Negotiating Committee (JCNC) is a forum for management and Trades Unions' representatives which meets regularly. There is a weekly electronic newsletter sent to the inbox of all members of staff every Wednesday.

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on trade union facility time reporting. For Financial Year ending 31st July 2022 there were 23 trade union representatives equating to 21.1 FTEs at a cost of £31,746. In terms of percentage of working hours spent on facility time, there were 15 employees working less than 0% and 8 employees working between 1% to 50% of their working hours.

Supplier Involvement

When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Equality and Diversity

The University is cognisant of its obligations under the Equality Act 2010 and has due regard to equality and diversity in its policy making processes. Its Equality and Diversity Policy and other related information can be found at <https://www.hope.ac.uk/gateway/staff/personnel/equalitydiversityandinclusion/>. The University has an Equality & Diversity

Directors' Report *(continued)*

Steering Committee which reports to Senior Management Team, Senate and the Staffing Committee of University Council. The Steering Committee takes an overview of the University's equality objectives and analyses data reports to ensure that any issues relating to groups with protected characteristics are identified and then tackled. The University has participated in the Aurora programme to support women into management and leadership positions and is planning to apply for Athena Swann membership.

Areas of Public Benefit provided by Liverpool Hope University

In shaping its objectives and planning its activities the University has considered the Charity Commission guidance on public benefit. The University through oversight of its activities at University Council meetings is confident that it fully satisfies the Public Benefit requirements of the Charity Commission as there is a direct benefit to students from its activities and an indirect benefit to the public at large.

The Public Benefit requirement requires two principles to be met.

1. There must be an identifiable benefit or benefits.

The objects of the University are;

- the higher education of men and women including the education and training of persons intending to enter, or engaged in, the teaching profession;
- the furtherance of the Roman Catholic Church and the Church of England, of Christian education, of ecumenical ideals, and of understanding between Christian Churches in the promotion of the Gospel;
- the advancement of knowledge by research and scholarship and teaching and learning;

This is a clearly identifiable benefit.

2. The benefit must be to the public or a section of the public. This area is expanded below.

As well as the students themselves, the University provides benefits for the general public. This includes a range of events such as concerts, lectures and the Cornerstone Festival that are either free or accessible for a minimal charge. The pandemic has meant that this did not take place in 2020/21 but these activities were re-introduced in 2021/22.

Health and well-being initiatives are also run at the University which the public are able to attend. The University's Service and Leadership award encourages students to undertake a range of voluntary activities across the local community and overseas and is recognised by a formal award at the end of their degree. The University is a partner of Contact the Elderly and participates in Childwall in Bloom.

As part of the response to the pandemic, the University set up the Hope Community Engagement programme which is open to staff and students. The aim is to support, fund raise and coordinate a number of projects across the local community. This has proved to be extremely successful and will continue into the future.

Environment and Sustainability

Liverpool Hope University has a moral and ethical approach to stewardship of the Earth and a responsibility to create a better quality of life for present and future generations and strives to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. We recognise the negative and positive impacts that we have on the environment, economy and society both locally, nationally and globally. The University, however, is well placed to make an exceptional contribution – well positioned through our teaching and research; influence on students, staff and communities; and through our business and campus operations.

Sustainability is central to the University's mission and values and forms a key role in the University's Corporate Plan and our decisions and actions reflect the concern that our community has for our environment. Our Sustainability Policy commits the University to increasing its positive contribution and reducing its negative impact on the environment in six key impact areas: awareness and engagement, utility consumption, travel and transport, waste, estates development and procurement; all of which contribute to the University's carbon emissions.

Directors' Report *(continued)*

The University's Scope 1 and 2 carbon emissions during 2021-2022 (August to July) were 2,637 tonnes CO₂e (equivalent to 0.03 tonnes CO₂e per m² GIA) and have been calculated using the Government conversion factors for company reporting of greenhouse gas emissions. Work is continuing to collate and analyse the University's relevant Scope 3 emissions:

Emissions Source	Scope	Consumption	Tonnes CO ₂ e	Ratio (Consumption/Student)
Gas	1	8,643,506kWh	1,578	1,632
Fugitive Emissions	1	41.5kg	86.7	0.01
Fuel in owned vehicles	1	1,880L	4.7	0.22
Electricity	2	5,450,328 kWh	1,054	1,029
Total	1&2		2,637	
Scope 1 & 2 emissions	3	As above	641	
Water (supply & treatment)	3	52,169 m ³	22	

The University's total Scope 1 and 2 emissions have decreased by 3.3% compared to last year (2020-2021); despite the 2021-2022 year being the first year since 2018-2019 of full operation (the 2019-2020 and 2020-2021 years being affected by Covid restrictions). Carbon reduction projects have continued contributing to the decrease in carbon emissions: non-convulsive taps were installed in residential buildings. The University was awarded Salix funding for the Public Sector Decarbonisation Scheme Phase 2 (to decarbonise St Julies Halls of Residence including replacing the gas firer central heating system with electric panel heaters, replacing the original steel framed single glazed windows with double glazing, installing internal wall insulation and solar PV) and Phase 3a (to decarbonise the Trinity building by replacing the gas heating system with an Air Source Heat Pump, installing double glazing, solar PV and a Building Management System; this project will be completed in 2022-2023); and continued fine-tuning of our existing Building Management System.

Going concern

The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The University currently has £3.5 million of loans outstanding with bankers, all being secured by a fixed and floating charge on University assets. The University's forecasts and financial projections indicate that it will be able to operate within these existing facilities and attached covenants for the foreseeable future, taking into account reasonably expected changes in performance.

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

The financial statements have been prepared on a going concern basis which the Council considers to be appropriate for the following reasons.

The Council has prepared cash flow forecasts for a period up to July 2024. The University enters this period in a very strong financial position. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic assumptions to demonstrate going concern, inflation increases in relation to Utility costs, staffing cost of living rises, general inflation and increased student attrition. Even on this basis, liquidity levels are forecast to remain strong despite paying the £16 million capital programme from cash reserves.

Directors' Report *(continued)*

Consequently, the Council is confident that the 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.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Section 172 Statement

The members of the University Council are Trustees of the University and directors of the Company. In line with their duties under s172 of the Companies Act 2006, directors act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. As part of the decision-making process, matters that are of strategic importance to the Company, the Board and its Committees consider the potential impact of decisions on relevant stakeholders. Whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Students

Liverpool Hope takes pride in providing its students with a distinctive learning experience in this stage of their learning journey. Liverpool Hope offers the best possible student transformational experience enabling staff to get to know students one by one. This is delivered through high quality teaching and pastoral support, learning resources that underpin teaching and learning and a variety of learning spaces. This learning environment challenges and develops the students to enable them to progress on their journey into the workplace or further study.

The University considers it extremely important that effective ways are found to hear the whole students' voice in order to respond to their concerns and build a supportive learning community. A well-functioning Students' Union is a vital part of to this endeavour and the University ensures that students are represented in all its major decision-making bodies. <https://www.hope.ac.uk/gateway/students/studentvoice/>

Our Corporate Plan states that 'Hope is committed to being a collegium in which students and staff work closely together, enjoying the benefits of a University environment in which we know one another and engage on a daily basis in discussion and debate. <https://www.hope.ac.uk/aboutus/governance/corporateplan/>

Employees

The University has well established frameworks in place to both protect and engage with colleagues through formally agreed policies and procedures for all aspect of the employment life-cycle. These include health and safety, well-being, performance, reward, personal development and training as well as rigorous recruitment, selection and progression procedures. We also have means by which we can communicate with colleagues through different media to ensure that their views are heard and where colleagues can raise any issues of concern.

We continue to build on the resources made available during the pandemic for the physical and mental health of employees for example, all colleagues now have access to the Togetherall email support community. We continue to promote and support colleagues with access to appropriate risk assessments and protocols for their activities and access to external resources via Personnel to occupational health assessment, flu vaccinations, free counselling services and mental health support. This year we have reviewed and changed our occupational health provision and we have a stress survey planned for colleagues. In addition, this year we have run a programme of training to equip a cohort of colleagues with Mental Health First Aider status to support both students and staff who are facing difficulties.

Directors' Report *(continued)*

Compliance and statutory training via online means is available. There are two new e-modules: Identifying and responding to Student Mental Health Concerns and Cyber Security training. Also, regular induction programmes for new colleagues with support staff providing appropriate training to enable them to make a direct application for Fellowship status from Advance HE. We continue to review our position in line with changing equality and diversity demands and offer Equality and Diversity training through online modules which colleagues can access at a convenient time, whatever their work pattern. Another key area of focus this year is completing our action plan for dealing with Sexual Misconduct (for staff and students). This is an important area for our sector and we are working to ensure that we are promoting culture change and reviewing our relevant policies through this lens as well as providing necessary awareness training for staff across the Campus.

This year the University became a member of the Womens in Higher Education Network (WHEN). WHEN is dedicated to equity of opportunity for women* in higher education. *At the WHEN, when we refer to women, we include trans women and non-binary people who are comfortable in a female centred community

We continue to develop our Schools structure around our internal leadership communications framework for colleague engagement and we retain at Senior Management level our robust committee structure and that for joint consultation with our colleagues and partnership unions. Clear and regular management communication cascades remain in place to support our strategic and operational objectives – such as the weekly Hope Bulletin and direct communications from the Vice Chancellor and Deputy Vice Chancellor to encourage the collegial culture and personal collaboration between colleagues.

Future Students

Student recruitment returned to campus in 21/22, it was acknowledged that one of the key selling points of the University is its campus and community and the team worked hard on driving enquirers to visit the campus through Open Days, Taster sessions, Applicant days and campus tours. It was acknowledged that due to travel costs, financial circumstances or distance from the University (such as international students) there may be some that can still not attend, for this reason, one online Open and Applicant day was offered to the widest range of markets were reached.

The recruitment team partnered with Unibuddy, The Student Room and Unifrog to increase awareness of the university through emerging platforms that our target audiences utilise personally and within schools. Unibuddy has been particularly successful and has since been embedded on the university website as an opportunity to ask students a question about the course, university or higher education in general.

In 21/22 Student Recruitment merged with careers and employability to create 'Student Futures' this gave the team a renewed focus on aspiration raising and ensuring careers provision and advice are given to prospective students in order to support their course choice. 21/22 saw an increase in applications (main cycle and clearing) and registrations which are all supported by the full student journey communications strategy.

Suppliers

Procurement within the University is carried out in accordance with legal requirements, the University Financial Regulations and Procurement Policy. A carefully managed University that works efficiently and effectively delivering value-for-money is central to the University's Corporate Plan and our procurement activity supports that goal. Liverpool Hope University recognises that in order to achieve its ambitious strategic objectives, we need our suppliers to be on board. When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Directors' Report *(continued)*

Liverpool Hope University has a moral, ethical and social responsibility to consider the impacts of its activities on students, employees, wider stakeholder groups, as well as on the environment. In order for this to happen, all of our suppliers are given the opportunity to complete an on-line assessment tool to improve their environmental performance and ensure they are making a positive impact on society. The University has enjoyed a number of successes including; working with our travel management company to promote sustainable and value for money travel options and our waste management company to increase staff and student engagement. We also work closely with our Estates suppliers to look at energy saving projects and initiatives.

Community Engagement

Building on the work of the Covid-19 volunteering group, Liverpool Hope University brought together a team of volunteers, the Community Engagement Team whom have continued to develop bringing people, projects and resources together. The work of the team was structured across three main strands, Hope for Staff and Students, Hope for Community and Hope Fundraising and Volunteering. The Community Engagement Team co-ordinates and creates a number of project opportunities, such as PenPal Project, Alder Hey Christmas Toy Appeal and Food Pantry Project.

Capital Investment

During the year approval was given for a £13 million Inquiry Building, a key priority for the University in relation to capital investment was to improve the quality of Learning and Teaching facilities at Hope Park. The University held a design competition to appoint the building designer, Wilson Mason were the chosen designer as they successfully grasped what the University was trying to achieve.

Statement of Council responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements

The Council is responsible for preparing the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the Council (the members of which are the Directors of the University company for the purposes of company law) to prepare financial statements for each financial year. Under that law it has elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

Under company law the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and of their income and expenditure, gains and losses and changes in reserves, and of the University's cash flows for that period. In preparing the University financial statements, the Council is required to:

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

Directors' Report *(continued)*

Statement of Council responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that its financial statements comply with the Companies Act 2006. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

While the following is not a specific recreation of the constitutional provisions within the Articles of Government, the principal responsibilities of Council, adopted in December 2005, may be summarised as being:-

1. To approve the educational character, mission and strategic vision of Liverpool Hope University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as Vice-Chancellor & Rector, for the academic, corporate, financial, estate and personnel management of the institution, and other responsibilities as detailed in the constitution, and keeping those functions under regular review.
3. 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.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
6. 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.
7. To safeguard the good name and values of Liverpool Hope University.
8. To appoint the head of the institution as Vice-Chancellor & Rector, and to put in place suitable arrangements for monitoring his/her performance.

Directors' Report *(continued)*

Statement of Council responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

9. To appoint a secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of Liverpool Hope University, to ensure that proper books of account are kept and resources used properly, effectively and efficiently, and to approve the annual budget and financial statements and have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all of the institution's legal obligations, including those arising from contracts and other legal commitments made in Liverpool Hope University's name.
13. To make such provision as it thinks fit for the general welfare of students, in consultation with senate, and for the operation of the Students' Union under a constitution approved by council.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of Liverpool Hope University.
15. To ensure that Liverpool Hope University's constitution is followed at all times and that appropriate advice is available to enable this to happen.



Revd Canon P Winn

Director and Chair of Council

Statement of Corporate Governance

This statement of corporate governance explicitly relates to the period 1st August 2021 – 31st July 2022, up to and including the date when the financial statements are approved. The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education from the Committee of University Chairs in its Guide for Members of HE Governing Bodies in the UK. The University is committed to best practice in all aspects of corporate governance and conducts its business in line with the Office for Students (OfS) general ongoing conditions of registration. The University, through its arrangements for governance, is committed in a demonstrable way to the principles of academic freedom and equality of opportunity.

Liverpool Hope University is an incorporated body whose legal status is that of a company limited by guarantee, a registered charity and a University with taught and research awarding powers. Its objects, powers and framework of governance are set out in the articles of association which were approved by the Privy Council in 1996. The current version of the articles was approved by the Privy Council with effect from 20th April 2005. The articles require Liverpool Hope University to have a governing body and a senate, each with clearly defined functions and responsibilities to oversee and manage its activities. The University Council is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members and the chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and the student body. No members of University Council receive any reimbursement for the work they do for that body. Subject to the overall responsibility of the governing body, Senate has oversight of the academic affairs of Liverpool Hope University and draws its membership entirely from the staff and the students of the institution, save for 3 Network of Hope College Principals. It is particularly concerned with general issues relating to the learning and teaching and research work of Liverpool Hope University. The Chief Executive Officer (Vice Chancellor and Rector) is the head of Liverpool Hope University and has a general responsibility to the governing body for the organisation, direction and management of the institution. As Chief Executive, the head of the institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The University Senior Executive Team all contribute in various ways to these aspects of the work, working in close collaboration with the Vice Chancellor and University Council which has ultimate responsibility for the University's strategic direction, education character and use of resources. Members of University Council make an annual declaration of interests and further declare any interests in relation to matters under discussion at meetings. The University also makes an annual declaration on matters that confirm that they are "fit and proper" as defined under the Framework for the Office for Students. University Council has adopted a Statement of Primary responsibilities reflecting sector guidance. This statement reflects the University Council's understanding of its responsibilities in relation to governance and internal control. In accordance with the articles of association, a secretary to the governing body has been appointed. The Chief Officer for Legal Services, Governance and Risk provides independent advice on matters of governance to all members of University Council. Although the governing body meets four times per year, much of its detailed work is handled by committees, including Finance and General Purposes Committee, Audit Committee, Staffing Committee, Health and Safety Standing Committee, Nominations Committee and a Remuneration Committee. The decisions of the Committees are formally reported to the full University Council by the respective chairs.

Regularity and propriety in the use of public funding is delivered through the overarching governance structure described above. Public funding of research has an additional layer of governance provided through the Research Committee which reports to Senate. The research Committee considers research strategy, policy, funding and scholarly activity. The University governance structure described above facilitates a transparent, adequate and effective system of governance. The structures, policies and processes can be viewed at: <https://www.hope.ac.uk/aboutus/governance/#:~:text=The%20governing%20body%20of%20Liverpool,company%20directors%20and%20charity%20trustees.>

Statement of Corporate Governance *(continued)*

Audit Committee

The Audit Committee meets four times per year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control, management responses and implementation plans and regularly reviews the University's progress and risk register. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee is empowered to meet the External and Internal Auditors on their own for independent discussions.

Finance and General Purposes

The Finance and General Purposes Committee meet three times per year and maintains an oversight of the University's financial and capital development strategies and the financial policy framework.

Staffing Committee

The Staffing Committee is responsible for supporting the strategic direction, performance measurement and service development of the human resource function within the University. It also has an oversight of compliance with equal opportunities and other employment law matters.

Council Standing Committee on Health and Safety

The committee develops and monitors the implementation of the University's Health and Safety Policy, Safety Management System and the associated procedures and codes of practice. It keeps under review the University's compliance with health and safety legislation and monitors trends in accidents and dangerous occurrences.

Remuneration Committee for Deans and Pro Vice Chancellors and Remuneration Committee for Vice Chancellor

The purpose is to determine and review the salaries, terms and conditions of the Head of the institution and such other members of staff as Council deems appropriate. These two Committees report annually to Council. The Remuneration Committee for Deans Pro Vice Chancellor and Deputy Vice Chancellor comprises the Pro-Chancellor, the Chair of Audit Committee, the Chair of Finance Committee, the Deputy Chair of University Council and the Vice Chancellor. The Committee meets annually to set the salaries of the members of the senior team. The remuneration package of the Vice Chancellor is set by the Remuneration Committee for the Vice-Chancellor, which comprises the Pro-Chancellor, the Chair of Audit Committee and the Chair of Finance Committee. The Vice Chancellor does not attend this meeting. The Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises his experience as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation. His performance is monitored and assessed by regular meetings with the Pro-Chancellor and progress against a range of external metrics in areas such as SSRs (Staff Student Ratios), NSS (National Student Survey) performance, student retention, quality of academic staff and financial management. The Council believe that his strategic guidance, experience and continuity of leadership is essential for the University as the HE sector enters a further period of uncertainty.

Nominations Committee

The purpose is to seek out and recommend new lay/independent co-opted members to the appointing body, taking account of the current skills mix of Council and the diversity of the current membership.

Statement of Corporate Governance (*continued*)

Statement of Internal Control

This statement of internal control explicitly relates to the period 1st August 2021 – 31st July 2022, up to and including the date when the financial statements are approved. The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, members of the University Senior Executive Team and other senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial performance involving variance reporting and updates of forecast outturns;

University Council has the responsibility for reviewing the effectiveness of the system of internal control. Consistent with the Risk Management Strategy approved, the following processes have been established:

- University Council meets four times a year to consider the plans and strategic direction of the institution.
- Periodic reports from the chairman of the Audit Committee concerning internal control are received together with regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- A report on discussions of risk at the University Senior Executive Team is delivered to Audit Committee who provides oversight on risk.

The Audit Committee receives regular reports from the internal auditor, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.

- An organisation-wide risk register is operational.
- Reports are received from budget holders and project managers on internal control activities.
- Policies such as the Code of Practice on Whistleblowing, Declarations of Interest, Financial and other Irregularities, including Fraud Policy and an Anti-Bribery Policy have been periodically reviewed and revised.

Control Weaknesses Identified

The annual review of the Internal Auditors indicated that the organisation has an adequate and effective framework for risk management, governance and internal control and economy, efficiency and effectiveness.

Role of the External Auditor

The University external auditors perform an interim audit mid-year to review control procedures prior to year-end substantive testing. Throughout the year, communication between the University and external auditors is key critical to obtain reasonable assurance the University's financial information is free from material misstatement, fraud and errors.

Role of the Internal Auditor

The University's internal auditors continue to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. Both Internal and External auditors in attendance at the Audit Committee, they have to present their detailed plan for the forthcoming year. These plans are prepared in accordance with University requirements, accounting standards and direction of funding bodies. Value for money is evaluated prior to making a recommendation to Council.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF LIVERPOOL HOPE UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liverpool Hope University ("the University") for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows 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 University's affairs as at 31 July 2022, and of the University's income and expenditure, gains and losses and changes in reserves, and of the University'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*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 University in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the Council's conclusions, we considered the inherent risks to the University's business model and analysed how those risks might affect the 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 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 University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because tuition fees are generally based on standard fee rates and are non-variable in nature. We do not believe there to be an incentive or pressure to manipulate this or other income streams that are material as amounts received either typically relate to a single specific financial year or the source transactions are non-complex, involving little judgement.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and, where relevant, other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by users who do not regularly do so and those posted to pension liability codes at year end.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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 University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation), taxation legislation, pensions legislation and higher education financial reporting related regulation, 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 University 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. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students, recognising the nature of the University’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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

Other information

The Council is responsible for the other information, which comprises the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control. 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;
- in our opinion the information given in Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the University, or returns adequate for our audit have not been received from branches not visited by us; or
- the University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Council responsibilities

As explained more fully in their statement set out on page 13, the Council (the members of which are the Directors of the University company for the purposes of company law) 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 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 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 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 University's expenditure on access and participation activities for the financial year disclosed in Note 10 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 University's grant and fee income, as disclosed in note 6 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the 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.



James Boyle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

28/11/2022

Statement of Principal Accounting Policies

1. Basis of preparation

The University is a company limited by guarantee, and was incorporated on 26 November 1996. Under the terms of the Memorandum and Articles of Association, the members of the University Governing Council have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education (2019 edition), the Charities SORP (2019) and the Companies Act where appropriate. 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 during the transition period to 31 July 2019, 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 therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The fixed assets were valued at 31st July 2014, the University chose to freeze the valuation at that date and use the deemed cost going forward in accordance with FRS 102. Capital grants are accounted for using the performance model as opposed to the accruals model. A requirement for holiday pay involves an accrual for unused annual leave as an expense. Pension fund changes relate to interest computations and the inclusion of the USS scheme.

2. Going Concern

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

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

The Council have prepared cash flow forecasts for a period up to July 2024, the University enters this period in a very strong financial position. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial planning model has used a series of pessimistic assumptions to demonstrate going concern, inflation increases in relation to Utility costs, staffing cost of living rises, general inflation and increased student attrition. Even on this basis, liquidity levels are forecast to remain strong despite paying for £16 million capital programme from cash reserves.

Consequently, the Council is confident that the 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.

3. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the deemed cost of certain fixed assets.

4. Basis of consolidation

The financial statements include the University only as there are no trading subsidiaries in existence.

The financial statements do not include those of Liverpool Hope Students' Union as it is a separate organisation in which the University has no control or significant influence over policy decisions.

Statement of Principal Accounting Policies *(continued)*

5. Format of the accounts

The directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

6. Recognition of income

The recurrent grants from the Office for Students (OfS) and Engineering and Physical Sciences Research Council (EPSRC) represent the funding allocation which is attributable to the current financial year and is credited direct to the statement of comprehensive income.

Grants intended to support the acquisition of tangible fixed assets are credited to the statement of comprehensive income when the University becomes entitled to them, subject to any performance related conditions being met.

Tuition fees represent student fees received and receivable attributable to the current accounting period.

Income to which the University is entitled from research grants and contracts is released to the statement of comprehensive income in proportion to the degree of completion of the associated activity, with reference to expenditure. The University uses the accruals method of accounting for research grants and contracts.

The University acts as an agent in the payment of training bursaries from the National College for Teaching and Leadership (NCTL). Related payments received and subsequent disbursements to students are excluded from the statement of comprehensive income and are shown separately in note 20.

7. Retirement benefits

The University operates a defined benefit scheme for staff, the Enhanced Pension Provision (EPP). The scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P).

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 statement of comprehensive income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and have maturity dates approximating to the terms of the University obligations. When the calculation results in a benefit to the University the recognised asset is limited to the total of any unrecognised past services costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University members due to the nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for liabilities and charges for any contractual commitment to fund past deficits within the USS scheme (Note 23).

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees.

The principal schemes for the University's staff are the Teacher's Pension Scheme (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF) for non-academic staff. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related

Statement of Principal Accounting Policies *(continued)*

Pension Scheme. Contributions to the scheme are charged to the comprehensive statement of income so as to spread the cost of pensions over employee's working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries.

IFRIC 14: limit on Defined Benefit Asset

The standard limits the measurement of the defined benefit asset to the present value of economic benefits available in the form of refunds from the plan or a reduction in future contributions to the plan.

For both LGPS schemes the University has set a limit of 50 employees to determine the long-term viability of the scheme. If the scheme falls below 50 members we recognise a 'short term' approach and calculate the present value of future projected service costs over the term determined by the difference between the average employee age and the normal retirement age. If the scheme remains above 50 members we recognise a 'perpetuity' approach and calculate the projected service costs in perpetuity.

Merseyside Pension Fund

There are 5 members in the pension scheme with an average age of 57, although the scheme is 'open' the University does not necessarily encourage new employees to opt into MPF as the preferred pension fund. Three of the members to MPF have been transferred in rather than opted to join. For calculation purposes we have assumed the employees will retire at the age of 67 and therefore calculations this year are based on 10 years (average age (57) to retirement age (67)).

Greater Manchester Pension Fund

GMF is the preferred pension fund for support staff, new employees joining the University pension fund are automatically included within GMF. Contained within the actuary report confirms the active members in the fund is 328 (at 31st March 2019), the University calculates (at the end of July 2022) 335 active members which demonstrates growth and continuing membership. For calculation purposes we have assumed this fund will continue in perpetuity.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense during the year in which the employees render service to the organisation. Any unused benefit is accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Maintenance of premises

The cost of routine corrective maintenance is charged to the statement of comprehensive income as incurred.

10. Operating Leases

Costs in respect of operating leases are charged to the statement of comprehensive income as incurred on a straight-line basis over the lease term.

11. Provisions

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

Statement of Principal Accounting Policies *(continued)*

The calculation of the cost of early retirement provisions charged to the statement of comprehensive income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 2.5% in excess of price inflation.

An amount is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. (See note 23).

12. Fixed assets

In 1980 the two former colleges, St. Katharine's and Christ's and Notre Dame, entered into a Deed of Adherence with the Liverpool Institute of Higher Education under which they provided their respective properties to the Institute. These were superseded in 1998 by similar Deeds of Arrangement of Membership with Liverpool Hope.

St. Katharine's College (Warrington Training College Incorporated), was granted a 99 year lease in 1963 from the Central Board of Finance of the Church of England for the properties provided to the Institute under the Deed of Adherence. The lease is renewable upon request for a second and final 99 years from 2062.

Christ's and Notre Dame College property is owned by the Trustees of Christ's and Notre Dame College. Under the Deed of Adherence the property of the College was made available for the use of the Institute. These buildings have been included on the balance sheet since 2004/05 to reflect the fact that the University carries the majority of the benefits and liabilities of the buildings.

Under the terms of the Deed of Adherence neither College shall withdraw from Liverpool Hope without the agreement of the remaining College and the consent of the Secretary of State for Education.

Subject to the appropriate agreements, written notice must be given at least five years prior to any withdrawal and, in the first instance, may only be given to expire no earlier than 31st August 2023.

Within the Trust Deed and the Deeds of Adherence between the Colleges and the Institute, those elements of the tangible fixed assets which are additions and/or improvements to buildings also become the property of the respective College Trustees.

Fixed assets land and buildings were subject to a full revaluation as at 31st July 2014 under a policy of periodic reappraisal at least every five years. The revaluation was undertaken by Eddisons, a firm of chartered surveyors and the basis of valuation has varied depending upon the nature of the property. The majority of properties were valued on a depreciated replacement cost basis, others such as St Michaels & St Julies at Aigburth and Gerard Manley Hopkins at Everton at market value. The accounting policy hitherto had been to revalue all land and buildings within a class of revalued assets

The revaluation carried out as at 31st July 2014 will serve henceforth as deemed cost in accordance with the SORP and no further revaluations will be taking place.

Where buildings are acquired with the aid of specific grants the assets are capitalised and depreciated on the basis shown below. The related grants are treated as income and released to the statement of comprehensive income within the year in which the grant is received.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. During the year a partial demolition of the lecture theatre complex is considered an indication of impairment and an accelerated depreciation charge will be included. An annual impairment review is also carried out annually across the Estate.

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

Statement of Principal Accounting Policies *(continued)*

Building refurbishment works are capitalised subject to a minimum threshold of £20,000 per refurbishment project. Such costs are not depreciated until the works are completed. Costs of refurbishment projects costing less than £20,000 are written off to the statement of comprehensive income in the period in which they are incurred.

Equipment costing less than £10,000 per individual item or group of related items constituting a single suite of equipment is written off to the statement of comprehensive income in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic lives as follows, and a full year's depreciation is charged in the year of acquisition or transfer:

Land & Buildings		
	Buildings existing at 31 st July 2014	As estimated*
	New buildings	50 years
	Building refurbishments (greater than £20,000)	10-30 years
Vehicles		
	Motor vehicles	5 years
Equipment		
	Computer equipment	5 years
Furniture & fittings		10 years

*As part of the revaluation carried out on 31st July 2014, the estimated useful lives of the existing buildings were reassessed in consultation with the firm of chartered surveyors who had carried out the revaluation. Estimates varied from building to building, ranging from a minimum of 10 years to a maximum of 60 years.

13. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 exclusively for charitable purposes. Subsidiary companies are liable for corporation tax for charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged as inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

14. Bursaries and Scholarships

The University provides bursaries and scholarships to students from its own revenue funds. These bursaries and scholarships are shown in the statement of comprehensive income, as expenditure, and not deducted from income. The University also distributes bursaries on behalf of the National College for Teaching and Leadership. The University only acts as agent and has no interest in these funds. As such, these transactions are not recognised in the statement of comprehensive income.

15. Cash Flows, Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash Equivalents are short term highly liquid investments that are readily convertible to known amounts of cash

Statement of Principal Accounting Policies (*continued*)

with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the University's Treasury Management activities and policies.

16. Finance Leases

Fixed assets held under hire purchase agreements and the related hire purchase obligations are recorded in the balance sheet and these assets are depreciated over their useful life.

On 31st March 2011 the University acquired the remaining lease on Gerard Manley Hopkins Hall, a 188 bed student accommodation block at their Everton campus. The remainder of the lease was acquired for a premium of £625,000 payable to the former lease holder, also requiring the payment of an annual rent payable to the lessor, at time of acquisition, of £376,494 (currently £504,156) with inflationary increases every 5 years until the termination of the lease in November 2038. At the end of the term the University has the option to buy the freehold for 25% of market value and this outcome has been treated in the accounts as a foregone conclusion. Taking all aspects of the lease into account the University is accounting for it as a hire purchase, at the rate of interest implicit in the minimum lease payments (including the payment to acquire the freehold at the end of the term), and therefore including the asset at open market value of the property (£6,261,151 adjusting for dilapidations) at 31st March 2011.

17. Accounting Estimates and Judgements

Preparation of financial statements requires management to make estimates, judgement and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and judgements are continually evaluated and are based on professional advice, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Impairments: Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Recoverability of Debtors: The provision for bad debts is based on our estimate on the expected recovery of the debt. Assumptions are made based on the level of debtors who have defaulted historically.

Pensions: The University operates 3 defined benefit pension schemes, the Teacher's Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF). The present value of the University obligations is dependent on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet. This does not include an obligation to make a contribution to fund past deficit payments.

18. Financial Instruments

The University's principal financial instruments are cash, investments and loans. The core objective of these instruments is to meet the financing needs of the University's operations. The fair value of each category of University's financial instruments are the same as their carrying value in the statement of financial position. The University has adopted to apply the provisions of both Section 11 and Section 12 of FRS102 in full.

Statement of Comprehensive Income
Year ended 31st July 2022

	<i>Note</i>	2022 £	2021 £
Income			
Funding council grants	<i>1</i>	3,908,549	3,888,131
Tuition fees and short course fees	<i>2</i>	47,472,256	46,963,264
Research grants and contracts	<i>3</i>	102,970	264,708
Other operating income	<i>4</i>	6,511,686	3,814,087
Investment income	<i>5</i>	123,510	82,279
Total Income		58,118,971	55,012,469
Expenditure			
Staff costs	<i>7</i>	35,964,320	33,081,660
Other operating expenses	<i>8</i>	12,224,571	10,391,907
Depreciation	<i>12</i>	4,823,148	4,270,795
Interest and other finance costs	<i>9</i>	1,233,803	1,238,927
Total expenditure	<i>11</i>	54,245,842	48,983,289
Operating surplus		3,873,129	6,029,180
Actuarial gain in respect of pension scheme		37,696,927	1,447,432
Total comprehensive income for the year		41,570,056	7,476,612
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		41,570,056	7,476,612
		41,570,056	7,476,612

Statement of Changes in Reserves
Year ended 31st July 2022

	Unrestricted Reserve £	Revaluation Reserve £	Total £
Balance at 1 August 2021	77,257,393	31,603,572	108,860,965
Operating surplus	3,873,129	-	3,873,129
Actuarial gain in respect of pension scheme	37,696,927	-	37,696,927
Transfers	1,112,436	(1,112,436)	-
Balance at 31 July 2022	119,939,885	30,491,136	150,431,021

Statement of Changes in Reserves
Year ended 31st July 2021

	Unrestricted Reserve £	Revaluation Reserve £	Total £
Balance at 1 August 2020	68,887,461	32,496,892	101,384,353
Operating surplus	6,029,180	-	6,029,180
Actuarial loss in respect of pension scheme	1,447,432	-	1,447,432
Transfers	893,320	(893,320)	-
Balance at 31 July 2021	77,257,393	31,603,572	108,860,965

Statement of Financial Position

As at 31st July 2022

	Note	2022 £	2021 £
Non-current assets			
Tangible assets	12	123,699,548	121,604,372
Pension asset	24	2,862,000	0
		<u>126,561,548</u>	<u>121,604,372</u>
Current assets			
Debtors	13	1,918,092	1,713,416
Cash at bank and in hand		16,269,234	25,048,436
Investments	14	22,750,000	9,500,000
		<u>40,937,326</u>	<u>36,261,852</u>
Creditors: amounts falling due within one year	15	<u>(6,446,740)</u>	<u>(6,793,263)</u>
Net current assets		<u>34,490,586</u>	<u>29,468,589</u>
Total assets less current liabilities		<u>161,052,134</u>	<u>151,072,961</u>
Creditors: amounts falling due after more than one year	16	<u>(9,420,395)</u>	<u>(10,087,302)</u>
Provisions for liabilities and charges	23	<u>(1,200,718)</u>	<u>(766,694)</u>
Net assets excluding pension liability		<u>150,431,021</u>	<u>140,218,965</u>
Pension liability	24	<u>0</u>	<u>(31,358,000)</u>
Total net assets		<u>150,431,021</u>	<u>108,860,965</u>
Unrestricted Reserves:			
Income and expenditure reserve		119,939,885	77,257,393
Revaluation reserve		30,491,136	31,603,572
Total funds		<u>150,431,021</u>	<u>108,860,965</u>

The financial statements on pages 29 to 49 were approved by the University Council on 23rd November 2022, and signed on its behalf by:



Mr J Norbury
Chair of Finance & General
Purposes Committee



Revd Cannon P Winn
Chair of University Council



Professor G. Pillay
Rector & Vice Chancellor

Statement of Cash Flows
Year ended 31st July 2022

	2022 £	2021 £
Cash flow from operating activities		
Surplus for the year	3,873,129	6,029,180
Adjustment for non-cash items		
Depreciation	4,823,148	4,270,795
Investment income	(123,510)	(82,279)
Interest payable	1,233,803	1,238,927
(Increase)/Decrease in Debtors	(204,676)	257,698
Increase/(Decrease) in Creditors	244,576	1,609,435
Increase/(Decrease) in Provisions	(14,516)	(18,922)
Pension costs	3,392,000	2,530,000
Adjustment for investing or financing activities		
Capital grants utilised in year	(1,694,414)	(410,536)
Net cash inflow from operating activities	11,529,540	15,424,298
Cash flows from investing activities		
Capital grants received	1,694,414	410,536
Payments to acquire fixed assets	(6,918,324)	(3,740,014)
New Deposits	(13,250,000)	6,500,000
	(18,473,910)	3,170,522
Cash flows from financing activities		
Other interest received	123,510	82,279
Interest paid	(700,336)	(796,785)
Repayments of borrowed amounts	(1,258,006)	(530,575)
	(1,834,832)	(1,245,081)
(Decrease)/Increase in cash	(8,779,202)	17,349,739

Notes (forming part of the financial statements)

1 Funding council grants

	2022 £	2021 £
Recurrent Grant - OfS	2,198,285	1,679,740
Specific		
Engineering and Physical Sciences Research Council - EPSRC	1,075,702	1,184,647
Higher Education Innovation Fund	419,064	548,846
OfS Hardship Fund	-	330,637
OfS Covid Test Centre	-	111,503
EPSRC Special initiatives	184,128	-
Capital Grants	31,370	32,758
	<u>3,908,549</u>	<u>3,888,131</u>

2 Tuition fees and short course fees

	2022 £	2021 £
Full-time students	41,344,846	42,074,970
Full-time students charged overseas fees	2,414,032	2,159,945
Part-time students	376,625	530,203
	<u>44,135,503</u>	<u>44,765,118</u>
Total fees paid by or on behalf of individual students		
	44,135,503	44,765,118
Short course fees	3,336,753	2,198,146
	<u>47,472,256</u>	<u>46,963,264</u>

3 Research grants and contracts

	2022 £	2021 £
Research councils	-	9,828
Research charities	44,860	39,244
Industry and commerce	34,600	205,876
Other	23,510	9,760
	<u>102,970</u>	<u>264,708</u>

4 Other operating income

	2022 £	2021 £
Residences, catering and conferences	5,099,707	3,153,735
Other income	528,935	660,352
Capital Grants – Equipment (Salix)	883,044	-
	<u>6,511,686</u>	<u>3,814,087</u>

Note: Salix grant was used for capital expenditure

Notes (continued)

5 Investment income

	2022	2021
	£	£
Interest receivable	123,510	82,279

6 Grant and fee income

	2022	2021
	£	£
Grant income from the OfS	2,198,285	2,121,880
Grant income from other bodies	1,710,264	1,766,251
Fee income for taught awards (exclusive of VAT)	45,080,714	45,873,963
Fee income for research awards (exclusive of VAT)	103,394	243,291
Total	49,092,657	50,005,385

Note: excludes research grants and contracts as they are shown separately in Note 3

7 Staff costs (including directors' emoluments)

	2022	2021
	£	£
Wages and salaries	25,019,576	23,513,565
Social security costs	2,560,754	2,340,872
Other pension costs	5,081,193	4,763,519
FRS102 staff pension adjustments	3,302,797	2,463,704
	35,964,320	33,081,660

The average numbers of staff employed by the University (FTE)

	2022 Number FTE	2021 Number FTE
Academic	317	289
Administrative and technical	225	230
Manual and ancillary	96	97
	638	616

Notes (continued)

Emoluments of the Vice-chancellor & Rector	2022	2021
	£	£
Salary	304,286	300,158
Benefits (Company Car)	6,618	6,618
Pension	72,055	71,077
Total	382,959	377,853

The emoluments of the Vice-chancellor & Rector are shown on the same basis as for higher paid staff (excluding employer's social security contributions). The University's pension contributions to the Teachers Pension Scheme are paid on behalf of the Vice-Chancellor & Rector at the same rate as for other academic staff (23.68%).

The Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises his experience as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

The median salary has been calculated in accordance with the guidance provided by the OfS, determining the full-year, full-time equivalent for each worker employed during the year and ranking them from high to low. In the absence of specific guidance for determining the mid-point value within this list, the University has chosen to do so by making a cumulative total of the full-time equivalent fraction (FTE) for each worker and then finding the midpoint of that cumulative total, thus taking full account of the relative statistical significance of individual workers according to their FTEs.

All payments to directors are in respect of services as members of staff and relate to the period of office. Where appropriate these emoluments are also included in the bands for higher paid staff.

Basic Salary Ratio (Based on a median pay rate of £36,358): 8.37 times (2021: £35,034; 8.57 times)

Total Remuneration Ratio (Based on a median pay rate of £43,691): 8.77 times (2021: £42,913; 8.81 times)

The number of staff, including senior post-holders and the Vice Chancellor & Rector, who received remuneration excluding employer pension contributions in the following ranges was:

	2022	2021
	Number	Number
£100,000 - £104,999	3	3
£125,000 - £129,000	1	-
£130,000 - £134,999	1	1
£135,000 - £139,999	-	1
£140,000 - £144,999	1	-
£150,000 - £154,999	-	1
£305,000 - £309,999	-	1
£310,000 - £314,999	1	-
	7	7

Key Management Personnel

2022	2021
£	£
1,319,103	1,315,098

Notes (continued)

While administration of the University is controlled and managed by the University Council, the day to day operations are conducted by the University Senior Executive Team, the Academic Leadership Team and the Operational Leadership Team. The figure disclosed comprises total gross salaries of the University Senior Executive Team excluding employer's pension and national insurance contributions.

Severance Payments - Payments were made to 5 individual members of staff equating to £46,954.

8 Other operating expenses

	2022 £	2021 £
Residences, catering and conference operating expenses	490,731	159,011
Teaching departments	2,418,003	1,946,247
Books and periodicals	550,247	592,221
Heat, light, water and power	1,697,104	1,279,230
Repairs and general maintenance	1,440,337	1,563,506
Grants to Liverpool Hope Students' Union	252,150	252,150
External auditors' remuneration	108,440	109,675
Other support services	743,877	521,438
Administration and central services	3,135,535	2,725,402
Other income generating activities	163,739	63,062
Other operating expenses	1,223,969	1,179,965
Reimbursement of Trustees' expenses	439	-
	12,224,571	10,391,907

In 2021/22 the expenses related to travel amounted to £439.

	2022 £	2021 £
External auditors' remuneration in respect of audit services	100,940	103,850
Audit related assurance services	7,500	5,825
	108,440	109,675

9 Interest and other finance costs

	2022 £	2021 £
Interest payable on bank loans not wholly repayable within five years	165,526	265,071
Pension fund interest payable	533,467	442,142
Interest payable on finance lease	534,810	531,714
	1,233,803	1,238,927

Notes (continued)

10 Access and Participation

	2022	2021
	£	£
Access Investment	438,240	423,200
Financial Support	309,246	557,192
Disability Support	512,511	548,026
Research and Evaluation	-	-
	1,259,997	1,528,418

As a small institution, the access and participation activities are embedded within the operations of the University and cannot be easily identified as stand-alone costs for the target student population. For some of the categories of expenditure these are subjective in nature therefore, the total costs are used and then a percentage of these costs shown as countable expenditure: 42% for Access Investment as 40%- 45% of the student population qualify for APP, Financial Support includes 85% of Learning Support Fund, Disability Support cost is uplifted by 25%for overheads.

https://www.hope.ac.uk/media/aboutus/governancedocuments/LiverpoolHopeUniversity_APP_2020-21_V1_10003956%20submitted%2002-02-21.pdf

11 Analysis of expenditure

	Staff costs	Depreciation	Interest payable	Other operating expenses	Total
	£	£	£	£	£
Academic departments	20,867,894	-	-	2,418,003	23,285,897
Academic support services	1,746,349	-	-	1,270,553	3,016,902
Other support services	1,946,278	-	-	996,027	2,942,305
Administration and central services	3,977,413	-	-	3,243,975	7,221,388
General education expenditure	-	-	-	64,472	64,472
Premises	2,748,847	-	-	3,577,071	6,325,918
Other income generating activities	332,275	-	-	163,739	496,014
Residences, catering and conferences	1,042,468	-	-	490,731	1,533,199
Depreciation	-	4,823,148	-	-	4,823,148
Interest payable	-	-	1,233,803	-	1,233,803
FRS 102 Pension Costs Adjustment	3,302,796	-	-	-	3,302,796
Total per Statement of Comprehensive Income	35,964,320	4,823,148	1,233,803	12,224,571	54,245,842

Notes (continued)

12 Fixed Assets	Assets in the course of construction	Land and Buildings	Equipment	Vehicles	Total
	£	£	£	£	£
Deemed cost					
At 1 August 2021	1,884,849	140,109,399	10,741,680	156,050	152,891,978
Additions at cost	4,620,282	893,114	1,360,225	44,703	6,918,324
Disposals at cost	-	-	-	(21,292)	(21,292)
Transfers	(5,435,396)	5,306,408	128,988	-	-
	<u>1,069,735</u>	<u>146,308,921</u>	<u>12,230,893</u>	<u>179,461</u>	<u>159,789,010</u>
At 31 July 2022	1,069,735	146,308,921	12,230,893	179,461	159,789,010
Depreciation					
At 1 August 2021	-	22,878,228	8,284,084	125,294	31,287,606
Eliminated on disposals	-	-	-	(21,292)	(21,292)
Charge for the year	-	4,129,849	668,980	24,319	4,823,148
	<u>-</u>	<u>27,008,077</u>	<u>8,953,064</u>	<u>128,321</u>	<u>36,089,462</u>
At 31 July 2022	-	27,008,077	8,953,064	128,321	36,089,462
Net book value					
At 31 July 2021	1,884,849	117,231,171	2,457,596	30,756	121,604,372
	<u>1,069,735</u>	<u>119,300,844</u>	<u>3,277,829</u>	<u>51,140</u>	<u>123,699,548</u>
At 31 July 2022	1,069,735	119,300,844	3,277,829	51,140	123,699,548

Included is £6,154,875 which relates to Gerard Manley Hopkins Hall, acquired at an imputed cost of £6,261,151 in March 2011. The substantive nature of the acquisition was that of a hire purchase arrangement with rental payments due for 27½ years from the date of acquisition. The property is being depreciated over its remaining useful economic life of 42 years.

Fixed assets include £8,266,000 in relation to land. The land has not been depreciated in the accounts.

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year		
Trade debtors	1,262,959	1,095,800
Sundry debtors	17,787	23,816
Prepayments and accrued income	637,346	593,800
	<u>1,918,092</u>	<u>1,713,416</u>

Notes (continued)

14 Investments

	2022 £	2021 £
Deposits maturing in one year or less		
	22,750,000	9,500,000

There are 3 deposits on 6 month fixed rate terms £10,000,000 with Barclays, £10,000,000 with HSBC and £2,750,000 with Santander.

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Loans	331,697	892,143
Trade creditors	765,167	1,036,772
Social security and other taxation payable	1,302,732	1,193,268
Accruals and deferred income	4,047,144	3,671,080
	6,446,740	6,793,263

16 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Loans secured on residential and other property repayable by 2030	3,198,050	3,895,610
Obligations under hire purchase agreement	6,222,345	6,191,692
	9,420,395	10,087,302

Analysis of secured and unsecured loans:	2022 £	2021 £
Due within one year or on demand (Note 15)	331,697	892,143
Due between one and two years	352,662	384,591
Due between two and five years	1,184,356	1,278,398
Due in five years or more	1,661,032	2,232,622
Debt due after more than one year	3,198,050	3,895,611
Total secured and unsecured loans	3,529,747	4,787,754

Notes (continued)

<i>Interest/terms on loans</i>	Original Value £	Interest rate %	Basis	Number of years remaining
Student accommodation	8,300,000	5.72 1.10	£7m Fixed £1.3m Variable	8

The loans are secured on the relevant assets of the University. The University decided to fully repay the three loans due within one year in 2021-22 financial year, the remaining student accommodation loan will be repaid by instalments over the period of the loan.

17 Lease Obligations

Total payable under hire purchase agreement	2022 £	2021 £
Later than 1 year and not later than 5 years	163,326	74,101
Later than 5 years	6,059,019	6,117,591
Total payment due	6,222,345	6,191,692

18 Reconciliation of cash flow to Statement of Financial Position

	2021 £	Cash flows £	2022 £
Cash at bank	25,048,436	(8,779,202)	16,269,234

19 Capital and other commitments

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

	2022 £	2021 £
Capital commitments	12,676,279	2,895,357

20 Training bursary payments

	2022 £	2021 £
Grant paid by National College for Teaching and Leadership (NCTL)	1,566,700	4,858,900
Payments to trainees	(1,538,300)	(4,848,000)
Grant due to NCTL at end of year	28,400	10,900

During the year the University administered the Training Bursary Scheme for PGCE students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

Notes (continued)

21 Related party disclosures

Due to the nature of the University's operations and the composition of the University 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 Board may have an interest. All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Council members declare their interests and the University updates the register of interests annually.

Included in the financial statements are the following transactions with related parties:

	Income	Expenditure
	£	£
Rev Peter Winn		
Chair of Governing Body, St Margaret's Church of England Primary School	-	1,775
Fr Christopher McCoy		
Governor, Holy Spirit Primary School	-	1,665
Ms Lesley Martin-Wright		
Company Secretary, Knowsley Chamber of Industry & Commerce	-	681
Dr Penny Haughan		
Chair of Governors, Locking Stumps Community Primary School	13,250	-

The nature of expenditure transactions relates to payments to schools on behalf of students, secondment agreements for primary teaching staff and a subscription. All payments were made during the financial year 2021/22 and there were no debtors or creditors at the year end.

22 Connected Charitable Institutions

The University is connected to one charitable institution, Liverpool Hope Carter Preston Foundation which was set up in its current state in April 2012. The University appoints two of the trustees. The Foundation has no income or expenditure. The net book value of Heritage assets on the Statement of Financial Position were £305,270 and the Foundation has £121,396 in its current account as at 31 July 2021.

23 Provisions for liabilities and charges

	Obligation to fund deficit on USS pension	Pension enhancement on termination	Total pension provision
	£	£	£
At 1 st August 2021	657,575	109,119	766,694
Movement in year	(32,966)	(14,516)	(47,482)
Interest cost	5,721	1,746	7,467
Actuarial loss	494,398	(20,359)	474,039
	<u>1,124,728</u>	<u>75,990</u>	<u>1,200,718</u>

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 this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below:

Notes (continued)

	2022	2021
Discount Rate	3.31%	0.87%
Salary Growth	4.60%	2.86%

Following the conclusion of the 2020 valuation and subsequent negotiations the agreed contribution rates are in force from 1 April 2022.

24 Pension and similar obligations

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension Fund (MPF) for non-academic staff. The total pension cost for the period was £5,006,506 (2021: £4,838,812).

	2022 £	2021 £
As at 1 August	31,358,000	29,888,000
(Decrease)/Increase in liability	(34,220,000)	1,470,000
As at 31 st July	(2,862,000)	31,358,000
The University's pension (asset)/ liability is analysed as follows:	£	£
Greater Manchester Pension Fund	(2,520,000)	31,188,000
Merseyside Pension Fund	(342,000)	170,000
	(2,862,000)	31,358,000

The GMPF surplus of £2,520k can be fully recognised as the present value of projected services costs is more than the surplus, in particular as the fund is open to new members and can therefore be valued in perpetuity. The MPF can only be recognised to the present value of the projected future service rates. The University has calculated this using an assumption that the annual future service rate remains constant each year for a period from the current average age of active members until an expected retirement age of 67. This results in a recognisable surplus of £342k.

Teachers' Pension Scheme (TPS)

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

Notes (continued)

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 23.68% of pensionable pay;
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £2,720,497 (2020: £2,584,548).

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded defined benefit scheme, with the assets held in a separate trustee administered fund. The total contribution made for the year ended 31 July 2022 was £2,286,000 of which employer's contributions totalled £1,694,000 and employee's contributions totalled £592,000. The agreed contribution rates for future years are 19.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

Notes (continued)

There has been a change in approach in allowing for inflation experience at 31 July 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The DBO at 31 July 2022 includes allowance for emerging inflation experience up to July 2022, which has increased the DBO at 31 July 2022 by £3,409k. A loss of £3,409k has been recognised due to the high levels of inflation experienced over the period from September 2021 (the reference month for the April 2022 pension increase) to July 2022, in comparison with that assumed at the start of the period.

The following information is based upon a full actuarial valuation of the fund as 31 March 2019 updated to 31 July 2022 by a qualified independent actuary.

	2022	2021	2020
Rate of increase in salaries	3.45%	3.55%	2.90%
Rate of increase in pensions in payment/inflation	2.70%	2.80%	2.10%
Discount rate for liabilities	3.50%	1.60%	1.40%
Commutation of pension to lump sums	55.00%	55.00%	55.00%

The mortality assumptions as at 31 July 2022 include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 this is mainly because there remains uncertainty of the Covid-19 impact on long term mortality rates for pension scheme members. This will be monitored in future periods and will be updated as appropriate. The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the triennial valuation.

	At 31 July 2022	At 31 July 2021	At 31 July 2020
Retiring today			
Males	20.30	20.50	20.50
Females	23.20	23.30	23.10
Retiring in 20 years			
Males	21.60	21.90	22.00
Females	25.10	25.30	25.00

The sensitivities regarding the principal assumptions used to measure the scheme obligations are:

Change in assumptions at 31 July 2022	Approximate %Increase To DBO	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	1,424
1 year increase in member life expectancy	4%	2,595
0.1% increase in the Salary Increase Rate	0%	135
0.1% increase in the Pension Increase Rate (CPI)	2%	1,296

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the estimated rates of return (are based on actual returns to 30th June 2022 and adjusted to calculate the estimated returns as at 31st July 2022) were:

	Value at 31 July 22 £000	Value at 31 July 21 £000	Value at 31 July 20 £000
Equities	48,152	45,290	35,549
Bonds	10,622	9,705	9,020
Property	6,373	4,529	3,714
Cash	5,665	5,176	4,775
Share of total market value of assets	70,812	64,700	53,058
Present value of scheme liabilities			
- Funded	(68,268)	(95,861)	(81,947)
- Unfunded	(24)	(27)	(28)
Surplus/(Deficit) in the scheme	2,520	(31,188)	(28,917)

Notes (continued)

Analysis of the amount charged to the statement of comprehensive income

	2022 £000	2021 £000	2020 £000
Current service cost	(4,975)	(4,158)	(3,859)
Past service cost (including curtailments)	(50)	0	294
Total service cost	(5,025)	(4,158)	(3,565)

Analysis of pension finance income

	2022 £000	2021 £000	2020 £000
Interest income on plan assets	1,042	749	1,163
Interest cost on defined benefit obligation	(1,567)	(1,171)	(1,562)
Total net interest	(525)	(422)	(399)

Total defined benefit recognised in the statement of comprehensive income

(5,550)	(4,580)	(3,964)

Movement in deficit during year

	2022 £000	2021 £000
Surplus/(Deficit) in scheme	(31,188)	(28,917)
Movement in year:		
Current service charge	(4,975)	(4,158)
Past service charge (including curtailments)	(50)	0
Net interest/return on assets	(525)	(422)
Contributions	1,694	1,672
Remeasurements recognised in the statement of comprehensive income	37,564	637
Surplus/(Deficit) in the scheme at end of year	2,520	(31,188)

History of experience gains or losses

	2022 £	2021 £	2020 £	2019 £	2018 £
Return on assets excluding amounts included in net interest	4,134	9,903	(3,826)	1,528	2,737
Value of Assets	70,812	64,700	53,058	54,800	50,707
% of scheme assets	5.84%	15.31%	(7.21%)	2.79%	5.4%
Experience gains and losses on scheme liabilities	(33,430)	9,266	4,295	7,143	(2,783)
Total present value of liabilities	(68,292)	(95,888)	(81,975)	(72,680)	(60,686)
% of Total present value of scheme liabilities	48.95%	(9.66%)	(6.01%)	(9.83%)	4.59%
Actuarial gain/(loss) recognised in statement of comprehensive income	37,564	637	(8,751)	(5,615)	5,520
% of the present value of liabilities	(55.00%)	(0.66%)	10.68%	7.73%	(9.01%)

Notes (continued)

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Merseyside Pension Fund (MPF)

The MPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2022 was £12,000 of which employer's contributions totalled £2,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 56.2% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2019 updated to 31 July 2022 by a qualified independent actuary.

	2022 £000	2021 £000	2020 £000
Rate of increase in salaries	4.20%	4.10%	3.80%
Rate of increase in pensions in payment/inflation	2.80%	2.70%	2.40%
Discount rate for liabilities	3.40%	1.60%	1.50%
Commutation of pension to lump sum	50.00%	50.00%	50.00%

The mortality assumptions as at 31 July 2022 include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 this is mainly because there remains uncertainty of the Covid-19 impact on long term mortality rates for pension scheme members. This will be monitored in future periods and will be updated as appropriate. The assumed life expectancies are based on age 45 for future pensioners and aged 65 for current pensioners as per the triennial valuation.

	At 31 July 2022	At 31 July 2021	At 31 July 2020
Retiring today			
Males	20.90	21.00	20.90
Females	24.00	24.10	24.00
Retiring in 20 years			
Males	22.40	22.60	22.50
Females	25.90	26.00	25.90

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the estimated rates of return (are based on actual returns to 30th June 2022 and adjusted to calculate the estimated returns as at 31st July 2022) were:

	Value at 31 July 22 £000	Value at 31 July 21 £000	Value at 31 July 20 £000
Equities	3,020	3,417	2,918
Bonds – government	1,772	226	264
Bonds – other	661	1,894	1,657
Property	670	629	542
Cash & other	2,042	1,894	1,950
IFRIC14 surplus adjustment	(896)	-	-
Total market value of assets	7,269	8,060	7,331
Present value of scheme liabilities			
- Funded	(6,923)	(8,224)	(8,294)
- Unfunded	(4)	(6)	(8)
	342	(170)	(971)

Notes (continued)

Analysis of the amount charged to the income and expenditure account

	2022	2021	2020
	£000	£000	£000
Employer service cost (net of employee contributions)	(62)	(45)	(42)
Past service cost	0	0	(54)
	<u>(62)</u>	<u>(45)</u>	<u>(96)</u>
Total operating credit/(charge)	<u>(62)</u>	<u>(45)</u>	<u>(96)</u>

Analysis of pension finance income/(costs)

	2022	2021	2020
	£000	£000	£000
Interest on plan assets	127	108	147
Interest on pension scheme liabilities	(128)	(122)	(171)
	<u>(1)</u>	<u>(14)</u>	<u>(24)</u>
Pension finance costs	<u>(1)</u>	<u>(14)</u>	<u>(24)</u>
	<u>2022</u>	<u>2021</u>	<u>2020</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Actual return on plan assets	244	914	(82)
Experience gains and losses arising on the scheme liabilities	(465)	152	356
Change in financial and demographic assumptions underlying the scheme liabilities	1,691	(207)	(14)
IFRIC14 surplus adjustment	(896)		
	<u>574</u>	<u>859</u>	<u>260</u>
Total remeasurement included within statement of comprehensive income	<u>574</u>	<u>859</u>	<u>260</u>

Movement in deficit during year

	2022	2021	2020
	£000	£000	£000
Deficit in scheme at beginning of year	(170)	(971)	(1,227)
Movement in year:			
Current service charge	(62)	(45)	(42)
Contributions	2	2	117
Past service costs	0	0	(54)
Administration costs	(1)	(1)	(1)
Settlements and Curtailments	-	-	-
Net interest/return on assets	(1)	(14)	(24)
Actuarial gain	1,470	859	260
IFRIC14 surplus adjustment	(896)		
	<u>342</u>	<u>(170)</u>	<u>(971)</u>
Surplus/(Deficit) in scheme at end of year	<u>342</u>	<u>(170)</u>	<u>(971)</u>

Notes (continued)

History of experience gains or losses

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Return on assets excluding amounts included in net interest	244	914	(82)	229	298
Value of assets	7,269	8,060	7,331	7,444	7,155
% of scheme assets	3.36%	11.34%	(1.12%)	3.08%	4.16%
Experience gains and losses on scheme liabilities	(1,226)	55	(342)	1,010	(228)
Total present value of liabilities	(6,927)	(8,230)	(8,302)	(8,671)	(7,686)
% of Total present value of scheme liabilities	17.7%	(0.67%)	4.12%	(11.65%)	2.97%
Actuarial gain/(loss) recognised in statement of comprehensive income	574	859	260	781	526
% of the present value of liabilities	(8.29%)	(10.44%)	(3.13%)	9.01%	(6.84%)

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

25 Financial Instruments

The University operates a treasury management function which is responsible for managing the credit, liquidity and interest risk. These financial risks are managed within the parameters specified in the approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by Higher Education Funding Council for England (HEFCE) and is reviewed, updated and approved annually.

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

Credit risk arises from bank balances, investments, student debtor and commercial customers. Student and commercial debtors are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain, or written off if deemed irrecoverable.

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Daily, weekly and monthly monitoring of cash position and regular cashflow forecasts are part of the control environment and planning throughout the year. The University policy is to maintain a balance of no more than £10m with any single banking organisation.

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in the value of balance sheet items.

The fair values of each category of the University's financial instruments are the same as their carrying value on the statement of financial position.

Notes (continued)

Financial Assets	2022	2021
Investments	22,750,000	9,500,000
Trade & Other Receivables	1,276,296	1,119,617
Cash & Cash Equivalents	16,269,235	25,048,438
	40,295,531	35,668,055

Financial Liabilities	2022	2021
Loans	3,529,747	4,787,754
Trade & Other Payables	765,167	1,036,772
	4,294,914	5,824,526

26 Reconciliation of Net Debt	2022	2021
Net Debt at 1 August	(14,068,992)	3,783,764
Movement in Cash & Cash Equivalents	(8,779,202)	17,349,740
Other non-cash changes	16,331,050	(35,202,496)
Net Debt at 31 July	(6,517,144)	(14,068,992)
Change in Net Debt	7,551,848	(17,852,756)

Analysis of Net Debt:

	2022	2021
Cash & Cash Equivalents	16,269,235	25,048,438
Borrowings: amounts falling due within 1 year		
Secured loans	331,697	892,143
Borrowings: amounts falling due after 1 year		
Secured loans	3,198,050	3,895,611
Obligations under finance lease	6,222,345	6,191,692
	9,420,395	10,087,303
Net Debt	(6,517,144)	(14,068,992)

Accounts



**LIVERPOOL
HOPE
UNIVERSITY**

Est. 1844



Financial Statements for year ending 31st July 2021

Registered Company Number: 3285547

A company limited by guarantee, without share capital, registered in England

Registered Charity number: 1060579

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Members of the University Council

The following persons served as governors during the year ended 31st July 2021 or were members as at 23rd November 2021 when these financial statements were approved. In the case of those who became or ceased to be governors during the year, the appropriate dates are shown.

The governors are generally appointed for a period of three years. Each year they sign a register of interests. All the members of the Council are Trustees of the University and directors of the Company.

Revd Canon P Winn	Chair
Mr C Mills	Vice-Chair
Revd Dr S Anderson	
The Right Reverend Paul Bayes	
Mrs J Beever	
Cllr Jane Corbett	
Ms Jean Ellis	
Revd Canon C Fallon	
Dr Penny Haughan	
Dr S Hulme (until 28 th April 2021)	
The Very Reverend Dr Sue Jones	
Fr C. McCoy	
Revd Canon Professor K Newport	
Dr A. Naylor	
Mr J Norbury	
Fr M O'Dowd	
Mr Harry Pearce	
Ms Paula Raper	
Mr U Russell	
Mrs M Swinson	
Dr Caroline Wakefield	
HH Judge Graham Wood QC	
Professor GJ Pillay	Vice Chancellor and Rector
Mr D Dykins	Secretary

Vice-Chancellor Remuneration Committee

Mr C Mills
Reverend P Winn
Mr J Norbury
Dr A Naylor

Senior Salaries Remuneration Committee

Mr C Mills
Reverend P Winn
Mr J Norbury
Dr A Naylor
Professor GJ Pillay (except for discussion of his own salary)

Members of the University Council *(continued)*

Finance & General Purposes Committee

Mr J Norbury (Chair)
Fr C. McCoy
Ms Jean Ellis
Professor GJ Pillay

Audit Committee

Dr Arthur Naylor (Chair)
Revd Dr S Anderson
Mrs J Beever
Mr M Gilbertson
Mrs S Suchoparek

Nominations Committee

Revd Canon P Winn (Chair)
Professor GJ Pillay
Mr C Mills

Advisers

External Auditor: KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Bankers:	Lloyds Bank Merchants Court 9 th Floor 2-12 Lord Street	Santander 7 th Floor 4 St Paul's Square	HSBC Bank Royal
Liver	Liverpool L2 XF	Liverpool L3 9SJ	Pier Head Liverpool L3 1HU
	Barclays plc 48B & 50 Lord Street Liverpool L2 1TD	National Westminster Bank plc 10 th Floor, The Plaza 100 Old Hall Street Liverpool, L3 9QJ	

Internal Auditor: RSM Risk Assurance Services LLP
14th Floor, 20 Chapel Street
Liverpool
L3 9AG

Strategic Report

Corporate Plan and Strategic Objectives

The essence of what Liverpool Hope is striving to deliver is clearly summarised in the Corporate Plan – a path of excellence in scholarship and collegial life without reservation or hesitation. The University's distinctive philosophy is to 'educate in the round' – mind, body and spirit – in the quest for Truth, Beauty and Goodness. At the heart of the University is the idea of the Collegium: an academic community of scholars providing a nurturing environment to stimulate and foster advancement of all its students. The University is committed to making educational opportunities available to all, regardless of background and to the transformation of its students into graduates that are prepared for the world of work.

The Corporate Plan, updated in 2020, provides the strategic framework within which the University operates. The five core areas identified within the plan, have remained consistent for several years, and underpin and inform all the strategic planning of the University:

- high quality academic pursuit
- knowing our students one by one – deepening the culture of the collegium
- a transformational experience for students and all those we serve
- an enterprising University that is financially self-sufficient
- a distinctive place for learning

In the challenging circumstances of the pandemic, the importance of focus on these goals has become even more evident. The University strength is in its collegium and the wider Hope community. The loss of face to face teaching was therefore in conflict with our culture of a personal approach to education based on relationships. The periods of lockdown made the University even more aware of the value of every member of the Hope community, academic and support.

Academic Profile

One of the key strategic aims of the University is to continue to develop the academic profile through its student body and the quality of its academic staff recruitment and development.

The latest published data (2019/20) from HESA (Higher Education Statistics Agency), shows that 77% of academic staff are qualified to doctoral level which places us 8th in England and 10th in the UK overall. Our academic profile is comparable to institutions such as the University of Manchester and the University of Durham. As a result of unprecedented levels of recruitment in September 2020, the University made a number of new academic appointments in areas where the curriculum was developing and supported by growth in student numbers. A rigorous appointment process ensures that we only appoint staff who meet our requirements and improve the University's academic profile. The intention is to achieve a minimum of 85% of academic staff with doctorates, with the remainder as Professional Tutors, bringing experiential practice in areas such as Education, Law and Accountancy.

The University's REF2021 submission was successfully completed in advance of the deadline of 31st March 2021. We have submitted 13 Units of Assessment, comprising 177

staff (which is 100% of our academic staff with significant responsibility for research), 28 impact case studies, 13 Unit-level environment statements and 423 outputs. For the first time we were also required to submit an institutional level environment statement as a preamble to the Unit's environment narratives.

The audit process (by panels appointed by the UKRI/REF and Funding Bodies) is now under way and we are evidencing any panel instigated audit queries being raised as part of this research assessment process. The results are due in the week of Monday 9th May 2022, first under embargo and then these will be in the public domain by Thursday 12th May.

Strategic Report *(continued)*

The University maintained the entry requirements to undergraduate degrees at an average of 114 points (2019/20 112 points). As highlighted above, despite our approach of not reducing entry points there was a 24% increase in Undergraduate recruitment (including BA QTS (Qualified Teacher Status), Undergraduate and Foundation Year) in 2020/21 compared to the previous year

Reputation

In 2018, the University was awarded Gold status in the Teaching Excellence Framework (TEF); the only TEF ranked University in Liverpool and one of only three universities to achieve Gold in the North West.

Despite the challenging circumstances in 2020/21 which had a greater impact on small institutions, the NSS results for 2020/21 placed Hope in the top 4 of North West Universities in the following categories:

- The Teaching on my course
- Assessment and Feedback
- Academic Support
- Organisation and Management
- Learning Community
- Students Union

The Complete University Guide has the University as the top University in Liverpool for Student satisfaction.

Widening Participation / Access and Participation

The University is committed to the Widening Participation agenda and invests considerable money and effort each year on its work with schools and young people. This can be clearly demonstrated by our work in the Network of Hope, providing educational opportunities for people and communities with limited access to higher education. The University's Access and Participation Plan has been accepted by the Office for Students and we will continue to strive to ensure that all students have the same opportunities to succeed regardless of race, background or financial hardship.

The University has continued to provide hardship funding for students who experience financial difficulties and scholarships to reward academic excellence. In 2020/21, the University received £330,637 as additional grant income to support students in financial hardship. This money was distributed via the existing Student Support Fund and

supplemented by a further £215,347 of University money. The University also spent additional money on IT equipment, purchasing 100 laptops at the cost of £72,444 to be loaned to students who did not have the equipment they needed to be online. The University also continued to invest in a range of facilities and services to support disabled students, ensuring they were not disadvantaged in any way and are able to fully participate in the life of the University.

The expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The total expenditure in the four categories was £1,528,418, including £330,637 hardship payments funded by the OfS grant. The closure of the University campus during the national lockdown, not unexpectedly reduced the level of expenditure and we spent £115,245 less than planned (15.1%). The lockdown particularly impacted the planned expenditure in relation to outreach activities, which were naturally curtailed during the year although relationships continued to be maintained remotely. The University has not recorded any expenditure against the category for evaluation and monitoring of the plan, due to the planned activity (focus groups, questionnaires etc) being planned for later in the year and not going ahead as a result of the lockdown.

Strategic Report *(continued)*

Capital Developments

In line with the Corporate Plan objective to provide a distinctive place for learning, the University has continued to invest in its buildings, equipment and infrastructure with spend of £3.7 million during 2020/21. All expenditure was fully financed by using the University cash reserves.

The lockdown periods provided an opportunity for the University to move forward with a number of sustainability projects while the buildings were empty. These projects will deliver utilities savings in the future and help to reach the targets within the University Carbon Management Plan. Several refurbishment projects were undertaken in 2020/21 which are due to for completion in 2021/22 including: the restoration of the Hermitage and Cloisters listed buildings at Aigburth, refurbishment of the East Wing in the HCA building (residential accommodation and offices), investment of £500,000 in the Creative Campus and the refurbishment of an existing building at Hope Park to repurpose as a dedicated building for the Geography department.

The University also successfully applied for a Salix grant of £888,000 to partly fund decarbonisation works at St Julies, one of the residential blocks at Aigburth. This work will continue throughout 2021/22.

In January 2020, the University purchased 2 Islington Square which completes our ownership of the buildings adjacent to the Creative Campus. Given the listed status of 2 Islington Square, and with it being a prominent landmark in a conservation area, it had been hoped to save the building in its entirety but, given its condition, this is no longer considered feasible. In order to secure planning permission, it is the university's intention to retain the neo-classical façade and rebuild the rest of the structure with the intention to create a new Film Factory for the Creative Campus. The net book value of the building at 31st July under its existing depreciation profile would have been £191,143 but given its condition the building was fully depreciated as a year-end impairment adjustment. Future

plans include a new Learning and Teaching building, IQ Building, at Hope Park with a target completion date of December 2022.

Finance

The University takes financial performance seriously and has robust financial processes and procedures in place to ensure the financial sustainability of the University is always protected. The delivery of strong financial results has ensured that the resources are always available, as and when required, to support the academic aspirations of the University and to provide the flexibility to respond to the demands of a rapidly changing sector.

a) Budget management

In 2020/21, the University's budget was devolved to the primary budget holders - the four members of the University Senior Executive Team (USET) who report directly to the Vice-Chancellor & Rector and delegated budget responsibility was extended to the nine Heads of Schools / Departments.

Budget management is one of the key performance measures for USET and the Heads of Schools. Monthly variance reports are provided and each budget holder is supported by a Finance Officer who they meet each month to ensure budgets are monitored carefully. There are two reforecast exercises each year and the budget is set from zero each year with only permanent staffing automatically rolled over.

b) Results for the Year

The University took a prudent approach to budget setting in 2020/21 given the level of uncertainty caused by the pandemic and the need to protect a minimum surplus level of 3% and grow the cash reserves. As a result, a large contingency was retained centrally and released at the year end. COVID had a significant impact on both accommodation income (rent rebates) and the loss of nearly all commercial activity. This was partly offset by claims under the Job retention Scheme.

The careful approach and release of contingency, resulted in a final result of 11% of income. The key reasons for the improvement compared to budget being, the strong recruitment performance, resident students remaining on campus, underspends in nearly all budget areas and significant infrastructure and utility savings

Strategic Report (continued)

due to the closure of the campuses. The University's Statement of Comprehensive Income and results for the year to 31st July are summarised below.

	2020/21	2019/20
	£000	£000
Income	55,012	50,671
Expenditure	48,983	47,560
Operating surplus	6,029	3,111

The OfS has stated that taken alone, surpluses or deficits are not necessarily a clear indicator of financial viability or sustainability as they can be distorted by accounting treatments. With this in mind the OfS suggests net operating cashflow is a better indicator of a providers underlying financial performance. The cash generated by the

University during the year was £15,424,298, 28% of income. (2019/20 £8,691,602 17% of income). This is well above the average for the sector in the previous year, and demonstrates the strength of the underlying financial position.

The Statement of Comprehensive Income for the year is set out on page 28.

Student Numbers

As at 31st July 2021 the University had 5,602 students (31st July 2020 – 5,145).

	Full Time Students	Part Time Students
Undergraduate	4,002	91
Postgraduate (taught)	310	387
Postgraduate (research)	44	103
PGCE	604	53
Other	8	-
	4,968	634

Treasury Management Policy

Cash at bank and investments had increased by £10,849,738 to £34,548,436 over the 12 months period to July 2021. Given the uncertainty across the sector, the University is gradually increasing its cash reserves to ensure that it has the flexibility to respond to unexpected developments. All investments are made in line with the University Treasury Management Policy, ensuring that investments are ethical and risk averse.

The outstanding value of the University bank loans had reduced to £4,787,754 at the year-end (2020 - £5,318,329) and no new loans were taken out in 2020/21. Since year end, the University has settled three small loans that were due to complete in the next couple of years. In 2011 the University took the opportunity to take over a lease arrangement for Hopkins Hall and bring it back under our control. The value of the creditor at July 2021 was £6,191,692. All borrowing is undertaken in the name of the University and conforms to OfS requirements. The Treasury Management policy is updated annually and was revised in June 2021.

Major Risks

The University takes the management of risk seriously. Where a risk is seen as a threat, mitigations are identified and put in place. However, risks can also be seen as opportunities and the University is not risk averse. Rather, it will take a measured approach to opportunities to achieve its strategic objectives.

Strategic Report (continued)

Through its Risk Register, which is reviewed at Operational Leadership Meetings, and overseen by the Audit Committee on behalf of University Council, key risks, which are not all directly financial, are highlighted. These might be compliance or accountability risks such as data returns, health & safety, safeguarding matters or they might be reputational such as quality audits and inspections. The University has a comprehensive internal control system to manage risk. This includes a program of work by the internal auditors which directly addresses the major risks identified in the risk register.

The Risk Register is a dynamic document, updated as required to reflect changing circumstances. The risk register is used to identify the key financial risks to the institution and financial modelling of these scenarios is undertaken. As we enter 2021/22 the key risks are the ongoing impact of COVID, potential legislative changes and threats to teacher education. While not complacent, all of the financial modelling undertaken to date provides reassurance of the University's long-term financial sustainability.

The University continues to scan the policy environment and is fully engaged with sector bodies and local, regional and national partners.

Despite these challenges and risks, the University is confident that it has a clear strategic vision underpinning the objectives of the Corporate Plan and can adapt to, manage and minimize the risks above. This vision is endorsed by the University Governance structure and ownership is embedded in all senior management. We enter 2021/22 confident that we will be able to flourish and thrive.

Directors' Report

Legal status

Liverpool Hope University was re-constituted in 2005 by order of the Privy Council under Section 129B of the Education Reform Act 1988, as a single, joint Anglican-Roman Catholic ecumenical University. It is registered in England and Wales as a Company Limited by Guarantee (3285547) and registered as a Charity (1060579).

Liverpool Hope University is the only ecumenical University in Europe, whose origins lie in colleges (one Anglican College founded in 1844, two Catholic Colleges founded in 1856 and 1965) which came together first in a federation, known as Liverpool Institute of Higher Education and then through full merger as a single ecumenical college. In 2002 taught degree awarding powers were secured and the title Liverpool Hope University College officially bestowed. In July 2005 the granting of full University status led to the adoption of the title Liverpool Hope University and in August 2009, the Privy Council granted the University the power to award research degrees. In the academic and financial year 2020/2021 there were 5,602 students and 616 members of staff, with a range of degrees at undergraduate and postgraduate levels.

Members of the University Council - (list of directors can be found on page 1)

All the members of the University Council are directors of the Company. No director had any interest in any contract made by the University during the financial year, other than a contract of employment as a member of staff and that described in note 20 to the accounts.

Mission Statement

The Mission Statement reflects both the University's traditions and its intention to develop and maintain a distinctive and forward-looking programme relevant to local, regional, national and international needs.

Liverpool Hope University is an ecumenical, Christian foundation which strives:

- to provide opportunities for the well-rounded personal development of all students;

Directors' Report *(continued)*

- to educate the whole person in mind, body and spirit, irrespective of age, social or ethnic origins or physical capacity, including in particular those with promise who might otherwise not have had an opportunity to enter higher education;
- to be a provider of high quality educational programmes responsive to the needs of students in the UK and abroad;
- to sustain an academic community, enriched by Christian values and culture, which supports teaching and learning, scholarship and research, encourages the understanding of other faiths and beliefs, and promotes religious and social harmony;
- to be globally credible while contributing to the educational, religious, cultural, social and economic life of Liverpool, Merseyside, North-West England and beyond.

Employee Involvement

The University places considerable value on the involvement of its employees and on good communication with them. Staff are encouraged to participate in formal and informal consultation at University, School and department level, sometimes through membership of formal Committees. The Vice-Chancellor addresses all staff at the start of the academic year and during Covid sent regular letters to the staff to keep them informed of plans. The Vice-Chancellor, meets all Academic Leaders and Operational Leaders with his senior team at least twice a term but more regularly if required.

There is a system of cascading information from those meetings to all staff and departments and service areas are expected to hold regular staff meetings to enhance two-way communication.

The University's People 2020 Strategy has a strategic strand to enhance engagement with and of staff. The Joint Consultative and Negotiating Committee, (JCNC) is a forum for management and Trades Unions' representatives which meets regularly. There is a weekly electronic newsletter sent to the inbox of all members of staff every Wednesday.

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on trade union facility time reporting. For Financial Year ending 31st July 2021 there were 23 trade union representatives equating to 21.85 FTEs at a cost of £25,828. In terms of percentage of working hours spent on facility time 14 employees working 0% and 9 employees working 1% to 50% of working hours.

Supplier Involvement

When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Equality and Diversity

The University is cognisant of its obligations under the Equality Act 2010 and has due regard to equality and diversity in its policy making processes. Its Equality and Diversity Policy and other related information can be found at <https://www.hope.ac.uk/gateway/staff/personnel/equalityanddiversity>. The University has an Equality & Diversity Steering Committee which reports to Senior Management Team, Senate and the Staffing Committee of University Council. The Steering Committee takes an overview of the University's equality objectives and analyses data reports to ensure that any issues relating to groups with protected characteristics are identified and then tackled.

The University has participated in the Aurora programme to support women into management and leadership positions and is planning to apply for Athena Swann membership.

Areas of Public Benefit provided by Liverpool Hope University

In shaping its objectives and planning its activities the University has considered the Charity Commission guidance on public benefit. The University through oversight of its activities at University Council meetings is confident that

Directors' Report *(continued)*

it fully satisfies the Public Benefit requirements of the Charity Commission as there is a direct benefit to students from its activities and an indirect benefit to the public at large.

The Public Benefit requirement requires two principles to be met.

1. There must be an identifiable benefit or benefits.

The objects of the University are;

- the higher education of men and women including the education and training of persons intending to enter, or engaged in, the teaching profession;
- the furtherance of the Roman Catholic Church and the Church of England, of Christian education, of ecumenical ideals, and of understanding between Christian Churches in the promotion of the Gospel;
- the advancement of knowledge by research and scholarship and teaching and learning;

This is a clearly identifiable benefit.

2. The benefit must be to the public or a section of the public. This area is expanded below.

As well as the students themselves, the University provides benefits for the general public. This includes a range of events such as concerts, lectures and the Cornerstone Festival that are either free or accessible for a minimal charge. The pandemic has meant that this did not take place in 2020/21 but these activities will be re-introduced in 2021/22.

Health and well-being initiatives are also run at the University which the public are able to attend. The University's Service and Leadership award encourages students to undertake a range of voluntary activities across the local community and overseas and is recognised by a formal award at the end of their degree. The University is a partner of Contact the Elderly and participates in Childwall in Bloom.

As part of the response to the pandemic, the University set up the Hope Community Engagement programme which is open to staff and students. The aim is to support, fund raise and coordinate a number of projects across the local community. This has proved to be extremely successful and will continue into the future.

Environment and Sustainability

Liverpool Hope University has a moral and ethical approach to stewardship of the Earth and a responsibility to create a better quality of life for present and future generations and strives to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. We recognise the negative and positive impacts that we have on the environment, economy and society both locally, nationally and globally. The University, however, is well placed to make an exceptional contribution – well positioned

through our teaching and research; influence on students, staff and communities; and through our business and campus operations.

Sustainability is central to the University's mission and values and forms a key role in the University's Corporate Plan and our decisions and actions reflect the concern that our community has for our environment. Our Sustainability Policy commits the University to increasing its positive contribution and reducing its negative impact on the environment in six key impact areas: awareness and engagement, utility consumption, travel and transport, waste, estates development and procurement; all of which contribute to the University's carbon emissions.

The University's Scope 1 and 2 carbon emissions during 2020-2021 (August to July) were 2,727 tonnes CO₂e (equivalent to 0.3 tonnes CO₂e per m² GIA) and have been calculated using the Government conversion factors for company reporting of greenhouse gas emissions:

Emissions Source	Scope	Consumption	Tonnes CO₂e	Ratio (Consumption/Student)
Gas	1	9,317,069kWh	1,707	1,765
Fugitive Emissions	1	41.5kg	86.7	0.01
Fuel in owned vehicles	1	2,293L	5.6	0.43
Electricity	2	4,372,141 kWh	928	828

Directors' Report *(continued)*

Work is continuing to collate and analyse the University's relevant Scope 3 emissions.

The University has increased its absolute Scope 1 and 2 emissions by 7.6% since 2019-2020 because of an increase in gas consumption caused by Covid ventilation requirements and fugitive emissions. However, carbon reduction projects and initiatives have been continuing to be installed throughout through the University including LED lighting and associated controls, replacement of single with double glazing, replacement roofs with increased insulation, installation of more efficient gas boilers with associated insulation of pipework (heating and domestic hot water), BMS installation and continued fine-tuning of our existing BMS, non-concussive taps and our awareness and engagement scheme I ♥ MY Campus. This year, however, has been another unprecedented one, with the University operating at reduced levels between which has contributed to the reduction in electricity and fuel emissions, but increased gas emissions.

Going concern

The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The University currently has £4.8 million of loans outstanding with bankers, all being secured by a fixed and floating charge on University assets. The University's forecasts and financial projections indicate that it will be able to operate within these existing facilities and attached covenants for the foreseeable future, taking into account reasonably expected changes in performance.

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

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

A specific worse-case scenario has been stress tested which included the loss of teacher education and foundation year income in 2022/23 and significant inflation pressure on pay and non-pay expenditure. Even on this basis, liquidity levels are forecast to remain strong with the high level of cash reserves providing a buffer against adverse scenarios and the resources and time to restructure and regroup.

The University has prepared detailed cash flow forecasts for a period up to July 2023. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Consequently, the Council is confident that the 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.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Section 172 Statement

The members of the University Council are Trustees of the University and directors of the Company. In line with their duties under s172 of the Companies Act 2006, directors act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. As part of the decision-making process, matters that are of strategic importance to the Company, the Board and its Committees consider the potential impact of decisions on relevant stakeholder. Whilst also having regard to a number of broader factors, including the

Directors' Report *(continued)*

impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Students

Liverpool Hope promotes its success on stakeholder engagement particularly in relation to our student population. The University takes pride in providing a distinctive place for learning that offers them the best possible student transformational experience whilst getting to know our students one by one. We seek to do this in dialogue, staff being responsive and empathetic to students' needs, whilst giving them the opportunity to flourish in a challenging academic environment. At the heart of the University are its scholars and their students. The University considers it extremely important that effective ways are found to hear the whole students' voice in order to respond to their concerns and build a supportive learning community. A well-functioning Students' Union is a vital part of to this endeavour and the University ensures that students are represented in all its major decision-making bodies.

<https://www.hope.ac.uk/gateway/students/studentvoice/>

Our Corporate Plan states that 'Hope is committed to being a collegium in which students and staff work closely together, enjoying the benefits of a University environment in which we know one another and engage on a daily basis in discussion and debate. <https://www.hope.ac.uk/aboutus/governance/corporateplan/>

Employees

Established systems, frameworks and processes are in place to support and protect the wellbeing of our colleagues, to ensure they are recognised and rewarded for their work, to listen to and address their concerns and to provide clear paths to career progression, personal development and training. We have promoted our wellbeing support resources for both physical and mental health and have been particularly strong in providing a virtual resource for colleagues during the pandemic. Additional measures have been put in place alongside our usual resources, comprehensive risk assessments and protocols which balance the contact and community needs of staff as well as safe guarding their physical health in line with relevant government guidance throughout the stages of pandemic management. We have links to relevant external resources such as MIND and accessible support to occupational health, flu vaccinations, virus testing and free counselling support. Online resilience training has also been provided.

The decision to move to a new Schools structure enabled an opportunity to review our internal leadership communications framework for colleague engagement. At Senior Management level there is a robust committee structure and for joint consultation with our colleagues and partnership unions. There is a clear management meeting and cascade structure which supports our strategic and operational objectives. In addition we have numerous communication channels such as direct Vice Chancellor, and Deputy-Vice Chancellor communications to colleagues email as well as a regular Hope community bulletin which fosters the personal and collegial community. These arrangements have been prevalent in our response to the Covid-19 pandemic and engagement with our employees.

There have also been Management Training sessions taking place to assist the Head of Schools and Heads of Subject during 2019-2020. A series of Foundation year Training sessions also took place to assist staff with the growing Foundation year programme with a number of external speakers contributing to the Programme. The overall University Percentage of eligible staff with Advance HE membership currently stands at 73%. The figure for staff who have Fellowship and other teaching qualifications at Liverpool Hope is 92%, this information is published to HESA each year.

Future Students

Student recruitment efforts continued to operate within a hybrid environment. Typically, school visits, UCAS fairs and events on campus would help prospective students to make informed decisions about which course and which University best suited their academic and pastoral needs and so given continued Government restrictions outreach efforts continued to be implemented differently. Engagement activity largely took place online, with virtual applicant and open days targeted to ensure our future students, their parents and carers were getting the information they needed. The further development and utilisation of a CRM system was key to the External Relations team expanding the targeted and bespoke communications and events for potential applicants. This included the delivery of open and

Directors' Report *(continued)*

applicant days which featured virtual tours, subject tasters and panel discussions. The CRM system was also integral in aiding a successful clearing operation.

All outreach activity was supported by social media, a targeted digital marketing campaign and a media presence that was led with stories that celebrated both the success of Hope's students and academic research. Some of the successful outcomes include:

- Increase in applications 10.8%
- Increase in international applications 24%

Whilst many potential students have not had the full opportunity to experience the sense of the Hope community that is apparent when they visit the campus, the gradual reintroduction of on-campus activity is continuing to provide opportunities to reinvigorate engagement.

Suppliers

Procurement within the University is carried out in accordance with legal requirements, the University Financial Regulations and Procurement Policy. A carefully managed University that works efficiently and effectively delivering value-for-money is central to the University's Corporate Plan and our procurement activity supports that goal. Liverpool Hope University recognises that in order to achieve its ambitious strategic objectives, we need our suppliers to be on board. When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Liverpool Hope University has a moral, ethical and social responsibility to consider the impacts of its activities on students, employees, wider stakeholder groups, as well as on the environment. In order for this to happen, all of our suppliers are given the opportunity to complete an on-line assessment tool to improve their environmental performance and ensure they are making a positive impact on society. The University has enjoyed a number of successes including; working with our travel management company to promote sustainable and value for money travel options and our waste management company to increase staff and student engagement. We also work closely with our Estates suppliers to look at energy saving projects and initiatives.

Statement of Directors' responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements

The Council (who are the Directors of the University company for the purposes of company law) are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with the Memorandum of Assurance and Accountability issued by the OfS and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Memorandum of Assurance and Accountability further requires the financial statements to be prepared in accordance with the 2019 *Statement of Recommended Practice - Accounting for Further and Higher Education* and the requirements of the OfS Accounts Direction.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and

of its income and expenditure, gains and losses and changes in reserves for that period. In preparing the University financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Directors' Report *(continued)*

Statement of Directors' responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

- assess the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The Council are also responsible under the Memorandum of Assurance and Accountability for:

- ensuring that funds from OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability and any other conditions which OfS may from time to time prescribe;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

While the following is not a specific recreation of the constitutional provisions within the Articles of Government, the principal responsibilities of Council, adopted in December 2005, may be summarised as being:-

1. To approve the educational character, mission and strategic vision of Liverpool Hope University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as Vice-Chancellor & Rector, for the academic, corporate, financial, estate and personnel management of the

institution, and other responsibilities as detailed in the constitution, and keeping those functions under regular review.

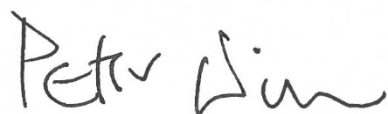
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of Council itself.
6. 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.
7. To safeguard the good name and values of Liverpool Hope University.

Directors' Report *(continued)*

Statement of Directors' responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

8. To appoint the head of the institution as Vice-Chancellor & Rector, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of Liverpool Hope University, to ensure that proper books of account are kept and resources used properly, effectively and efficiently, and to approve the annual budget and financial statements and have overall responsibility for the University's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all of the institution's legal obligations, including those arising from contracts and other legal commitments made in Liverpool Hope University's name.
13. To make such provision as it thinks fit for the general welfare of students, in consultation with senate, and for the operation of the Students' Union under a constitution approved by council.
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of Liverpool Hope University.

15. To ensure that Liverpool Hope University's constitution is followed at all times and that appropriate advice is available to enable this to happen.



Revd Canon P Winn
Director and Chair of Council

Statement of Corporate Governance

This statement of corporate governance explicitly relates to the period 1st August 2020 – 31st July 2021, up to and including the date when the financial statements are approved. The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education from the Committee of University Chairmen in its Guide for Members of HE Governing Bodies in the UK.

Liverpool Hope University is an incorporated body whose legal status is that of a company limited by guarantee, a registered charity and a University with taught and research awarding powers.

Its objects, powers and framework of governance are set out in the articles of association which were approved by the Privy Council in 1996. The current version of the articles was approved by the Privy Council with effect from 20th April 2005. The articles require Liverpool Hope University to have a governing body and a senate, each with clearly defined functions and responsibilities to oversee and manage its activities.

The University Council is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members and the chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and the student body. No

members of University Council receive any reimbursement for the work they do for that body.

Subject to the overall responsibility of the governing body, Senate has oversight of the academic affairs of Liverpool Hope University and draws its membership entirely from the staff and the students of the institution, save for 4 Network of Hope College Principals. It is particularly concerned with general issues relating to the learning and teaching and research work of Liverpool Hope University.

The Chief Executive Officer (Vice Chancellor and Rector) is the head of Liverpool Hope University and has a general responsibility to the governing body for the organisation, direction and management of the institution. As Chief Executive, the head of the institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The University Senior Executive Team all contribute in various ways to these aspects of the work, working in close collaboration with the Vice Chancellor and University Council which has ultimate responsibility for the University's strategic direction, education character and use of resources.

Members of University Council make an annual declaration of interests and further to declare any interests in relation to matters under discussion at meetings. The University also makes an annual declaration on matters that confirm that they are "fit and proper" as defined under the Framework for the Office for Students. University Council has adopted a Statement of Primary responsibilities reflecting sector guidance. This statement reflects the University Council's understanding of its responsibilities in relation to governance and internal control.

In accordance with the articles of association, a secretary to the governing body has been appointed. The Head of Legal Services, Governance and Risk is Clerk to University Council and in that capacity, she provides independent advice on matters of governance to all members of University Council.

Although the governing body meets four times per year, much of its detailed work is handled by committees, including a Finance and General Purposes Committee, an Audit Committee, a Staffing Committee; Health and Safety Standing Committee; A Nominations Committee and a Remuneration Committee. The decisions of these Committees are formally reported to the full University Council by the respective chairs.

Statement of Corporate Governance *(continued)*

Audit Committee

The Audit Committee meets three times per year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control, management responses and implementation plans and regularly reviews the University's progress and risk register. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee is

empowered to meet the External and Internal Auditors on their own for independent discussions.

Finance and General Purposes

The Finance and General Purposes Committee meet three times per year and maintains an oversight of the University's financial and capital development strategies and the financial policy framework.

Staffing Committee

The Staffing Committee is responsible for supporting the strategic direction, performance measurement and service development of the human resource function within the University. It also has an oversight of compliance with equal opportunities and other employment law matters.

Council Standing Committee on Health and Safety

To develop and monitor the implementation of the University's Health and Safety Policy, Safety Management System and the associated procedures and codes of practice. To keep under review the University's compliance with health and safety legislation and to monitor trends in accidents and dangerous occurrences.

Remuneration Committee for Deans and Pro Vice Chancellors and Remuneration Committee for Vice Chancellor

To determine and review the salaries, terms and conditions of the Head of the institution and such other members of staff as Council deems appropriate. These two Committees report annually to Council. The Remuneration Committee for Deans and Pro Vice Chancellors comprises the Pro-Chancellor, the Chair of Audit Committee, the Chair of Finance Committee and the Vice Chancellor. The Committee meets annually to set the salaries of the members of the senior team.

The remuneration package of the Vice Chancellor is set by the Remuneration Committee for the Vice-Chancellor, which comprises the Pro-Chancellor, the Chair of Audit Committee and the Chair of Finance Committee. The Vice Chancellor does not attend this meeting.

The Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises his experience as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

His performance is monitored and assessed by regular meetings with the Pro-Chancellor and progress against a range of external metrics in areas such as SSRs (Staff Student Ratios), NSS (National Student Survey) performance, student retention, quality of academic staff and financial management.

The Council believe that his strategic guidance, experience and continuity of leadership is essential for the University as the HE sector enters a further period of uncertainty.

Nominations Committee

To seek out and recommend new lay/independent co-opted members to the appointing body, taking account of the current skills mix of Council and the diversity of the current membership.

Statement of Internal Control

This statement of internal control explicitly relates to the period 1st August 2020 – 31st July 2021, up to and including the date when the financial statements are approved. The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, members of the University Senior Executive Team and other senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial performance involving variance reporting and updates of forecast outturns;

University Council has the responsibility for reviewing the effectiveness of the system of internal control. Consistent with the Risk Management Strategy approved, the following processes have been established:

- University Council meets four times a year to consider the plans and strategic direction of the institution.
- Periodic reports from the chairman of the Audit Committee concerning internal control are received together with regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- A report on discussions of risk at the University Senior Executive Team is delivered to Audit Committee who provides oversight on risk.
- The Audit Committee receives regular reports from the internal auditor, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.
- An organisation-wide risk register is operational.
- Reports are received from budget holders and project managers on internal control activities.
- Policies such as the Code of Practice on Whistleblowing, Declarations of Interest, Financial and other Irregularities, including Fraud Policy and an Anti-Bribery Policy have been periodically reviewed and revised.

Control Weaknesses Identified

The annual review of the Internal Auditors indicated that the organisation has an adequate and effective framework for risk management, governance and internal control and economy, efficiency and effectiveness.

Role of the External Auditor

The University external auditors perform an interim audit mid-year to review control procedures prior to year-end substantive testing. Throughout the year, communication between the University and external auditors is key critical to obtain reasonable assurance the University's financial information is free from material misstatement, fraud and errors.

Role of the Internal Auditor

The University's internal auditors continue to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. Both Internal and External auditors are in attendance at the Audit Committee, they have to present their detailed plan for the forthcoming year. These plans are prepared in accordance with University requirements, accounting standards and direction of funding bodies. Value for money is evaluated prior to making a recommendation to Council.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF LIVERPOOL HOPE UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liverpool Hope University ("the University") for the year ended 31 July 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2021, and of the University's income and expenditure, gains and losses and changes in reserves, and of the University's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the Companies Act 2006.

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 University 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 University or to cease their operations, and as they have concluded that 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 University's business model and analysed how those risks might affect the 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 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 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 Committee, internal audit and inspection of policy documentation as to the University's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the University's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit Committee, Remuneration Committee and Finance and General Purposes Committee minutes.
- Obtaining a copy of the University's risk 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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to tuition fees being generally based on standard fee rates and due to their non-variable nature. There is limited scope for fraudulent revenue recognition of grant income. Across other material revenue streams, transactions are not complex and involve little judgement. Therefore, we have rebutted the risk of fraudulent revenue recognition across all material income streams.

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 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 posted and approved by the same user and those posted to pension liability codes.

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 discussed with the Council and other management the policies and procedures regarding compliance with laws and regulations.

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

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

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

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

Secondly, the University 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 Higher Education regulatory requirements of the Office for Students, recognising the regulated nature of the University's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the 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 Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control. 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;
- in our opinion the information given in Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the University, or returns adequate for our audit have not been received from branches not visited by us; or
- the University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Council responsibilities

As explained more fully in their statement set out on page 12, the Council (who are the Directors of the University company for the purposes of company law) 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 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 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 REQUIREMENTS¹

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 University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's articles of government for post 1992 institutions;
- 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

1

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 University's expenditure on access and participation activities for the financial year disclosed in Note 10 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 University's grant and fee income, as disclosed in Note 6 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the 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.

James Boyle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date

Statement of Principal Accounting Policies

1. Basis of preparation

The University is a company limited by guarantee, and was incorporated on 26 November 1996. Under the terms of the Memorandum and Articles of Association, the members of the University Governing Council have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education (2019 edition), the Charities SORP (2019) and the Companies Act where appropriate. 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 during the transition period to 31 July 2019, 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 therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The fixed assets were valued at 31st July 2014, the University chose to freeze the valuation at that date and use the deemed cost going forward in accordance with FRS 102. Capital grants are accounted for using the performance model as opposed to the accruals model. A requirement for holiday pay involves an accrual for unused annual leave as an expense. Pension fund changes relate to interest computations and the inclusion of the USS scheme.

2. Going Concern

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

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

The Council have prepared cash flow forecasts for a period up to July 2023. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

A specific worse-case scenario has been stress tested which included the loss of teacher education and foundation year income in 2022/23 and significant inflation pressure on pay and non-pay expenditure. Even on this basis, liquidity levels are forecast to remain strong with the high level of cash reserves providing a buffer against adverse scenarios and the resources and time to restructure and regroup.

Consequently, the Council is confident that the 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.

3. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the deemed cost of certain fixed assets.

4. Basis of consolidation

The financial statements include the University only as there are no trading subsidiaries in existence.

The financial statements do not include those of Liverpool Hope Students' Union as it is a separate organisation in which the University has no control or significant influence over policy decisions.

Statement of Principal Accounting Policies *(continued)*

5. Format of the accounts

The directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

6. Recognition of income

The recurrent grants from the Office for Students (OfS) and Engineering and Physical Sciences Research Council (EPSRC) represent the funding allocation which is attributable to the current financial year and is credited direct to the statement of comprehensive income.

Grants intended to support the acquisition of tangible fixed assets are credited to the statement of comprehensive income when the University becomes entitled to them, subject to any performance related conditions being met.

Tuition fees represent student fees received and receivable attributable to the current accounting period.

Income to which the University is entitled from research grants and contracts is released to the statement of comprehensive income in proportion to the degree of completion of the associated activity, with reference to expenditure. The University uses the accruals method of accounting for research grants and contracts.

The University acts as an agent in the payment of training bursaries from the National College for Teaching and Leadership (NCTL). Related payments received and subsequent disbursements to students are excluded from the statement of comprehensive income and are shown separately in note 20.

7. Retirement benefits

The University operates a defined benefit scheme for staff, the Enhanced Pension Provision (EPP). The scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P).

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 statement of comprehensive income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and have maturity dates approximating to the terms of the University obligations. When the calculation results in a benefit to the University the recognised asset is limited to the total of any unrecognised past services costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on

settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University members due to the nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for liabilities and charges for any contractual commitment to fund past deficits within the USS scheme (Note 23).

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees.

The principal schemes for the University's staff are the Teacher's Pension Scheme (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF) for non-academic staff. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related

Statement of Principal Accounting Policies *(continued)*

Pension Scheme. Contributions to the scheme are charged to the comprehensive statement of income so as to spread the cost of pensions over employee's working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense during the year in which the employees render service to the organisation. Any unused benefit is accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Maintenance of premises

The cost of routine corrective maintenance is charged to the statement of comprehensive income as incurred.

10. Operating Leases

Costs in respect of operating leases are charged to the statement of comprehensive income as incurred on a straight-line basis over the lease term.

11. Provisions

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

The calculation of the cost of early retirement provisions charged to the statement of comprehensive income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 2.5% in excess of price inflation.

An amount is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. (See note 23).

12. Fixed assets

In 1980 the two former colleges, St. Katharine's and Christ's and Notre Dame, entered into a Deed of Adherence with the Liverpool Institute of Higher Education under which they provided their respective properties to the Institute. These were superseded in 1998 by similar Deeds of Arrangement of Membership with Liverpool Hope.

St. Katharine's College (Warrington Training College Incorporated), was granted a 99 year lease in 1963 from the Central Board of Finance of the Church of England for the properties provided to the Institute under the Deed of Adherence. The lease is renewable upon request for a second and final 99 years from 2062.

Christ's and Notre Dame College property is owned by the Trustees of Christ's and Notre Dame College. Under the Deed of Adherence the property of the College was made available for the use of the Institute. These buildings have been included on the balance sheet since 2004/05 to reflect the fact that the University carries the majority of the benefits and liabilities of the buildings.

Statement of Principal Accounting Policies *(continued)*

Under the terms of the Deed of Adherence neither College shall withdraw from Liverpool Hope without the agreement of the remaining College and the consent of the Secretary of State for Education.

Subject to the appropriate agreements, written notice must be given at least five years prior to any withdrawal and, in the first instance, may only be given to expire no earlier than 31st August 2023.

Within the Trust Deed and the Deeds of Adherence between the Colleges and the Institute, those elements of the tangible fixed assets which are additions and/or improvements to buildings also become the property of the respective College Trustees.

Fixed assets land and buildings were subject to a full revaluation as at 31st July 2014 under a policy of periodic reappraisal at least every five years. The revaluation was undertaken by Eddisons, a firm of chartered surveyors and the basis of valuation has varied depending upon the nature of the property. The majority of properties were valued on a depreciated replacement cost basis, others such as St Michaels & St Julies at Aigburth and Gerard Manley Hopkins at Everton at market value. The accounting policy hitherto had been to revalue all land and buildings within a class of revalued assets but for practical purposes there was one instance where this had not been possible and the property has always been carried at depreciated historical cost, namely the refurbishment of HE teaching facilities at St. Mary's 6th Form College, Blackburn. The net book value brought forward from the financial statements as at 31st July 2020 of £52,500 has been fully written off the during financial year due to the closure of St. Mary's in 2021-22.

The revaluation carried out as at 31st July 2014 will serve henceforth as deemed cost in accordance with the SORP and no further revaluations will be taking place.

Where buildings are acquired with the aid of specific grants the assets are capitalised and depreciated on the basis shown below. The related grants are treated as income and released to the statement of comprehensive income within the year in which the grant is received.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. An annual impairment review is also carried out annually across the Estate.

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

Building refurbishment works are capitalised subject to a minimum threshold of £20,000 per refurbishment project. Such costs are not depreciated until the works are completed. Costs of refurbishment projects costing less than £20,000 are written off to the statement of comprehensive income in the period in which they are incurred.

Equipment costing less than £10,000 per individual item or group of related items constituting a single suite of equipment is written off to the statement of comprehensive income in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic lives as follows, and a full year's depreciation is charged in the year of acquisition or transfer:

Land & Buildings

Buildings existing at 31 st July 2014	As estimated*
New buildings	50 years
Building refurbishments (greater than £20,000)	10-30 years
Vehicles	
Motor vehicles	5 years
Equipment	
Computer equipment	5 years
Furniture & fittings	10 years

Statement of Principal Accounting Policies *(continued)*

*As part of the revaluation carried out on 31st July 2014, the estimated useful lives of the existing buildings were reassessed in consultation with the firm of chartered surveyors who had carried out the revaluation. Estimates varied from building to building, ranging from a minimum of 10 years to a maximum of 60 years.

13. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 exclusively for charitable purposes. Subsidiary companies are liable for corporation tax for charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged as inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

14. Bursaries and Scholarships

The University provides bursaries and scholarships to students from its own revenue funds. These bursaries and scholarships are shown in the statement of comprehensive income, as expenditure, and not deducted from income.

The University also distributes bursaries on behalf of the National College for Teaching and Leadership. The University only acts as agent and has no interest in these funds. As such, these transactions are not recognised in the statement of comprehensive income.

15. Cash Flows, Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash Equivalents are short term highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the University's Treasury Management activities and policies.

16. Finance Leases

Fixed assets held under hire purchase agreements and the related hire purchase obligations are recorded in the balance sheet and these assets are depreciated over their useful life.

On 31st March 2011 the University acquired the remaining lease on Gerard Manley Hopkins Hall, a 188 bed student accommodation block at their Everton campus. The remainder of the lease was acquired for a premium of £625,000 payable to the former lease holder, also requiring the payment of an annual rent payable to the lessor, at time of acquisition, of £376,494 (currently £504,156) with inflationary increases every 5 years until the termination of the lease in November 2038. At the end of the term the University has the option to buy the freehold for 25% of market value and this outcome has been treated in the accounts as a foregone conclusion. Taking all aspects of the lease into account the University is accounting for it as a hire purchase, at the rate of interest implicit in the minimum lease payments (including the payment to acquire the freehold at the end of the term), and therefore including the asset at open market value of the property (£6,261,151 adjusting for dilapidations) at 31st March 2011.

Statement of Principal Accounting Policies *(continued)*

17. Accounting Estimates and Judgements

Preparation of financial statements requires management to make estimates, judgement and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and judgements are continually evaluated and are based on professional advice, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Impairments: Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Recoverability of Debtors: The provision for bad debts is based on our estimate on the expected recovery of the debt. Assumptions are made based on the level of debtors who have defaulted historically.

Pensions: The University operates 3 defined benefit pension schemes, the Teacher's Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF). The present value of the University obligations is dependent on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet. This does not include an obligation to make a contribution to fund past deficit payments.

18. Financial Instruments

The University's principal financial instruments are cash, investments and loans. The core objective of these instruments is to meet the financing needs of the University's operations. The fair value of each category of University's financial instruments are the

same as their carrying value in the statement of financial position. The University has adopted to apply the provisions of both Section 11 and Section 12 of FRS102 in full.

Statement of Comprehensive Income
Year ended 31st July 2021

	<i>Note</i>	2021 £	2020 £ (restated*)
Income			
Funding council grants	1	3,888,131	3,269,599
Tuition fees and short course fees	2	46,963,264	41,751,189
Research grants and contracts	3	264,708	256,769
Other operating income	4	3,814,087	5,236,238
Investment income	5	82,279	157,547
Total Income		55,012,469	50,671,342
Expenditure			
Staff costs	7	33,081,660	32,242,526
Other operating expenses	8	10,391,907	10,257,744
Depreciation	12	4,270,795	3,789,526
Interest and other finance costs	9	1,238,927	1,270,434
Total expenditure	11	48,983,289	47,560,230
Operating surplus		6,029,180	3,111,112
Actuarial gain/(loss) in respect of pension scheme		1,447,432	(8,026,167)
		7,476,612	(4,915,055)
Total comprehensive income for the year		7,476,612	(4,915,055)
Represented by:			
		-	-
Restricted comprehensive income for the year		7,476,612	(4,915,055)
Unrestricted comprehensive income for the year			
			-
		7,476,612	(4,915,055)

*refer to Note 27

Statement of Changes in Reserves

Year ended 31st July 2021

	Unrestrict ed Reserve £	Revaluati on Reserve £	Total £
Balance at 1 August 2020	68,887,461	32,496,892	101,384,353
Operating surplus	6,029,180	-	6,029,180
Actuarial gain in respect of pension scheme	1,447,432	-	1,447,432
Transfers	893,320	(893,320)	-
Balance at 31 July 2021	77,257,393	31,603,572	108,860,965
	=	=	=

Statement of Changes in Reserves

Year ended 31st July 2020

	Unrestrict ed Reserve £	Revaluati on Reserve £	Total £
Balance at 1 August 2019	72,909,196	33,390,212	106,299,408
Operating surplus	3,111,112	-	3,111,112
Actuarial loss in respect of pension scheme	(8,026,167)	-	(8,026,167)
Transfers	893,320	(893,320)	-
Balance at 31 July 2020	68,887,461	32,496,892	101,384,353
	=	=	=

Statement of Financial Position

As at 31st July 2021

	Note	2021	2020
		£	£
Non-current assets			
Tangible assets	12	121,604,372	122,135,153
		121,604,372	122,135,153
Current assets			
Debtors	13	1,713,416	1,971,114
Cash at bank and in hand		25,048,436	7,698,698
Investments	14	9,500,000	16,000,000
		36,261,852	25,669,812
Creditors: amounts falling due within one year	15	(6,793,263)	(4,849,819)
Net current assets		29,468,589	20,819,993
Total assets less current liabilities		151,072,961	142,955,146
Creditors: amounts falling due after more than one year	16	(10,087,302)	(10,951,887)
Provisions for liabilities and charges	23	(766,694)	(730,906)
Net assets excluding pension liability		140,218,965	131,272,353
Pension liability	24	(31,358,000)	(29,888,000)
Total net assets		108,860,965	101,384,353
Restricted Reserves:			
Unrestricted Reserves:			
Income and expenditure reserve		77,257,393	68,887,461
Revaluation reserve		31,603,572	32,496,892
Total funds		108,860,965	101,384,353

The financial statements on pages 28 to 49 were approved by the University Council on 23rd November 2021, and signed on its behalf by:



Chair of Finance &
General
Purposes Committee



Chair of University Council



Rector & Vice Chancellor

Statement of Cash Flows

Year ended 31st July 2021

	2021 £	2020 £
Cash flow from operating activities		
Surplus for the year	6,029,180	3,111,112
Adjustment for non-cash items		
Depreciation	4,270,795	3,789,526
Investment income	(82,279)	(157,547)
Interest payable	1,238,927	1,270,434
Decrease in Debtors	257,698	182,980
Increase/(Decrease) in Creditors	1,609,435	(1,095,405)
Increase/(Decrease) in Provisions	(18,922)	(20,882)
Pension costs	2,530,000	1,867,000
Adjustment for investing or financing activities	(410,536)	(255,616)
Capital grants utilised in year		
Net cash inflow from operating activities	15,424,298	8,691,602
Cash flows from investing activities		
Capital grants received	410,536	255,616
Payments to acquire fixed assets		(2,864,508)
New Deposits	(3,740,014)	(7,500,000)
	)	
	6,500,000	
	3,170,522	(10,108,892)
Cash flows from financing activities		
Other interest received	82,279	157,547
Interest paid	(796,785)	(826,326)
Repayments of borrowed amounts	(530,575)	(504,050)
	(1,245,081)	(1,172,829)
	)	
Increase in cash	17,349,739	(2,590,119)

Notes (forming part of the financial statements)

1 Funding council grants

	2021 £	2020 £ (restated*)
Recurrent Grant - OfS	1,679,740	1,626,137
Specific		
Engineering and Physical Sciences Research Council - EPSRC	1,184,647	1,207,750
Higher Education Innovation Fund	548,846	403,676
OfS Hardship Fund	330,637	-
OfS Covid Test Centre	111,503	-
Capital Grants	32,758	32,036
	3,888,131	3,269,599

*refer to Note 27

2 Tuition fees and short course fees

	2021 £	2020 £
Full-time students	42,074,970	37,887,280
Full-time students charged overseas fees	2,159,945	825,207
Part-time students	530,203	604,828
	44,765,118	39,317,315
Total fees paid by or on behalf of individual students		
Short course fees	2,198,146	2,433,874
	46,963,264	41,751,189

3 Research grants and contracts

	2021 £	2020 £
Research councils	9,828	28,009
Research charities	39,244	82,804
Industry and commerce	205,876	118,236
Other	9,760	27,720
	264,708	256,769

4 Other operating income 2020

	2021 £	2020 £
Residences, catering and conferences	3,153,735	4,448,107
Other income	660,352	788,131

3,814,087 5,236,238

Notes (continued)

5 Investment income

	2021	2020
	£	£
Interest receivable	82,279	157,547

6 Grant and fee income

	2021	2020
	£	£
Grant income from the OfS	2,121,880	1,626,137
Grant income from other bodies	1,766,251	1,643,462
Fee income for taught awards (exclusive of VAT)	45,873,963	40,333,231
Fee income for research awards (exclusive of VAT)	243,291	351,157
Total	50,005,385	43,953,987

Note: excludes research grants and contracts as they are shown separately in Note 3

7 Staff costs (including directors' emoluments)

	2021	2020
	£	£ (restated*)
Wages and salaries	23,513,565	23,460,501
Social security costs	2,340,872	2,293,885
Other pension costs	4,763,519	4,574,522
FRS102 staff pension adjustments	2,463,704	1,913,618
	33,081,660	32,242,526

*refer to Note 27

The average numbers of staff employed by the University (FTE)

	2021	2020
	Number FTE	Number FTE
Academic	289	276
Administrative and technical	230	238
Manual and ancillary	97	99
	616	613

Notes (continued)

Emoluments of the Vice-chancellor & Rector	2021 £	2020 £
Salary	300,158	299,716
Benefits (Company Car)	6,618	8,456
Pension	71,077	69,204
Total	377,853	377,376

The emoluments of the Vice-chancellor & Rector are shown on the same basis as for higher paid staff (excluding employer's social security contributions). The University's pension contributions to the Teachers Pension Scheme are paid on behalf of the Vice-Chancellor & Rector at the same rate as for other academic staff (23.68%).

The Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises his experience as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

The median salary has been calculated in accordance with the guidance provided by the OfS, determining the full-year, full-time equivalent for each worker employed during the year and ranking them from high to low. In the absence of specific guidance for determining the mid-point value within this list, the University has chosen to do so by making a cumulative total of the full-time equivalent fraction (FTE) for each worker and then finding the midpoint of that cumulative total, thus taking full account of the relative statistical significance of individual workers according to their FTEs.

All payments to directors are in respect of services as members of staff and relate to the period of office. Where appropriate these emoluments are also included in the bands for higher paid staff.

Basic Salary Ratio (Based on a median pay rate of £35,034): 8.57 times (2020: £35,665; 8.80 times)

Total Remuneration Ratio (Based on a median pay rate of £42,913): 8.81 times (2020: £42,380; 8.90 times)

The number of staff, including senior post-holders and the Vice Chancellor & Rector, who received remuneration excluding employer pension contributions in the following ranges was:

	2021 Number	2020 Number
£100,000 - £104,999	3	1
£115,000 - £119,999	-	-
£120,000 - £124,999	-	1
£130,000 - £134,999	1	-
£135,000 - £139,999	1	1
£145,000 - £149,999	-	1
£150,000 - £154,999	1	-
£295,000 - £299,999	-	-
£305,000 - £309,999	1	1

	7	5
	=====	=====
Key Management Personnel		
	2021	2020
	£	£
	1,315,098	1,311,147
	=====	=====

Notes (continued)

While administration of the University is controlled and managed by the University Council, the day to day operations are conducted by the University Senior Executive Team, the Academic Leadership Team and the Operational Leadership Team. The figure disclosed comprises total gross salaries of the University Senior Executive Team excluding employer's pension and national insurance contributions.

Severance Payments - Payments were made to 7 individual members of staff equating to £38,475.

8 Other operating expenses

	2021 £	2020 £ (restated*)
Residences, catering and conference operating expenses	159,011	376,940
Teaching departments	1,946,247	2,130,996
Books and periodicals	592,221	600,007
Heat, light, water and power	1,279,230	1,392,256
Repairs and general maintenance	1,563,506	1,334,896
Grants to Liverpool Hope Students' Union	252,150	252,150
External auditors' remuneration	109,675	49,200
Other support services	521,438	429,613
Administration and central services (*restated Note 27)	2,725,402	2,391,803
Other income generating activities	63,062	217,432
Other operating expenses	1,179,965	1,082,211
Reimbursement of Trustees' expenses	-	240
	=====	=====
	10,391,907	10,257,744
	=====	=====

*refer to Note 27

In 2020/21 there were no expenses for trustees. In 2019/20 the expenses related to travel and conferences and amounted to £240.

	2021 £	
2020		
£		
External auditors' remuneration in respect of audit services		
103,850	43,400	
Audit related assurance services		5,825
5,800		
	=====	=====
	109,675	
	=====	=====
49,200		

The University tendered external audit services in 2020/21, the increase in fees were as a direct result of additional work required on access and participation, going concern and pensions, £5,000 included in 2021 related to access and participation work for the prior year.

9 Interest and other finance costs

	2021 £	2020 £
Interest payable on bank loans not wholly repayable within five years	265,071	294,299
Pension fund interest payable	442,142	444,108
Interest payable on finance lease	531,714	532,027
	1,238,927	1,270,434

Notes (continued)

10 Access and Participation

	2021 £	2020 £
Access Investment	423,200	475,182
Financial Support	557,192	240,517
Disability Support	548,026	544,025
Research and Evaluation	-	-
	1,528,418	1,259,724

As a small institution, the access and participation activities are embedded within the operations of the University and cannot be easily identified as stand-alone costs for the target student population. Many elements of expenditure are subjective in nature therefore, the total costs are used and then a percentage of these costs shown as countable expenditure: 42% for Access Investment as 40%- 45% of the student population qualify for APP, Financial Support includes 85% of Learning Support Fund. £580,675 of these costs are included in the staff costs figure within Note 7.

£330,637 is included in Financial Support, funding was received from OfS (Note 1) to support this.

https://www.hope.ac.uk/media/aboutus/governancedocuments/LiverpoolHopeUniversity_APP_2020-21_V1_10003956%20submitted%2002-02-21.pdf

11 Analysis of expenditure

	Staff costs	Depreciation	Interest payable	Other operating expenses	Total
	£	£	£	£	£
Academic departments	18,986,335	-	-	1,946,247	20,932,582
Academic support services	1,686,715	-	-	1,272,705	2,959,420
Other support services	2,186,566	-	-	773,588	2,960,154
Administration and central services	3,971,143	-	-	2,835,077	6,806,220
General education expenditure	-	-	-	73,559	73,559
Premises	2,564,961	-	-	3,268,658	5,833,619
Other income generating activities	276,088	-	-	63,062	339,150
Residences, catering and conferences	946,148	-	-	159,011	1,105,159

Depreciation	-	4,270,795	-	-	4,270,795
Interest payable	-	-	1,238,927	-	1,238,927
FRS 102 Pension Costs Adjustment	2,463,704	-	-	-	2,463,704
Total per Statement of Comprehensive Income	33,081,660	4,270,795	1,238,927	10,391,907	48,983,289

Notes (continued)

12 Fixed Assets	Assets in the course of construction £	Land and Buildings £	Equipment £	Vehicles £	Total £
Deemed cost					
At 1 August 2020	563,803	138,744,882	9,687,229	156,050	149,151,964
Additions at cost	2,489,284	213,416	1,037,314	-	3,740,014
Disposals at cost	-	-	-	-	-
Transfers	(1,168,238)	1,151,101	17,137	-	-
At 31 July 2021	1,884,849	140,109,399	10,741,680	156,050	152,891,978
Depreciation					
At 1 August 2020	-	19,108,259	7,798,636	109,916	27,016,811
Eliminated on disposals	-	-	-	-	-
Charge for the year	-	3,769,969	485,448	15,378	4,270,795
At 31 July 2021	-	22,878,228	8,284,084	125,294	31,287,606
Net book value					
At 31 July 2020	563,803	119,636,623	1,888,593	46,134	122,135,153
At 31 July 2021	1,884,849	117,231,171	2,457,596	30,756	121,604,372

Included is £6,154,875 which relates to Gerard Manley Hopkins Hall, acquired at an imputed cost of £6,261,151 in March 2011. The substantive nature of the acquisition was that of a hire purchase arrangement with rental payments due for 27½ years from the date

of acquisition. The property is being depreciated over its remaining useful economic life of 42 years.

Fixed assets include £8,266,000 in relation to land. The land has not been depreciated in the accounts.

13 Debtors

	2021 £	2020 £
Amounts falling due within one year		
Trade debtors	1,095,800	1,036,125
Sundry debtors	23,816	26,554
Prepayments and accrued income	593,800	908,435
	1,713,416	1,971,114

Notes (continued)

14 Investments

	2021 £	2020 £
Deposits maturing in one year or less		
There are 2 deposits on fixed rate terms for £6,000,000 and £3,500,000 both with Santander and both on 12 month time deposits.	9,500,000	16,000,000

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Loans	892,143	530,575
Trade creditors	1,036,772	378,567
Social security and other taxation payable	1,193,268	1,119,521
Accruals and deferred income	3,671,080	2,821,156
	6,793,263	4,849,819

16 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Loans secured on residential and other property repayable by 2030	3,895,610	4,787,754
Obligations under hire purchase agreement	6,191,692	6,164,133
	<u>10,087,302</u>	<u>10,951,887</u>
Analysis of secured and unsecured loans:	2021 £	2020 £
Due within one year or on demand (Note 15)	892,143	530,575
Due between one and two years	384,591	558,173
Due between two and five years	1,278,398	1,499,288
Due in five years or more	2,232,622	2,730,293
	<u>3,895,611</u>	<u>4,787,754</u>
Debt due after more than one year	3,895,611	4,787,754
	<u>4,787,754</u>	<u>5,318,329</u>
Total secured and unsecured loans	4,787,754	5,318,329

Notes (continued)

<i>Interest/terms on loans</i>	Original Value £	Interest rate %	Basis	Number of years remaining
Alexander Jones Building	600,000	1.44	Fixed	1
Sports centre	1,900,000	7.35	Fixed	1
Cloisters/Hermitage	420,000	1.06	Fixed	1
Student accommodation	8,300,000	5.72	£7m Fixed	9
		1.10	£1.3m Variable	

The loans are secured on the relevant assets of the University. The University has decided to fully repay the three loans due within one year in 2021-22 financial year, the remaining student accommodation loan will be repaid by instalments over the period of the loan.

17 Lease Obligations

	2021 £	2020 £
Total payable under hire purchase agreement	74,101	-
Later than 1 year and not later than 5 years	6,117,591	6,164,133
Later than 5 years		
	<u>6,191,692</u>	<u>6,164,133</u>
Total payment due	6,191,692	6,164,133

18 Reconciliation of cash flow to Statement of Financial Position

	2020 £	Cash flows £	2021 £
Cash at bank	7,698,698	17,349,738	25,048,436

19 Capital and other commitments

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

	2021 £	2020 £
Capital commitments	2,895,357	406,925

20 Training bursary payments

	2021 £	2020 £
Grant paid by National College for Teaching and Leadership (NCTL)	4,858,900	4,039,200
Payments to trainees	(4,848,000)	(3,986,700)
Grant due to NCTL at end of year	10,900	52,500

During the year the University administered the Training Bursary Scheme for PGCE students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

Notes (continued)

21 Related party disclosures

Due to the nature of the University's operations and the composition of the University 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 Board may have an interest. All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Council members declare their interests and the University updates the register of interests annually.

Included in the financial statements are the following transactions with related parties:

Expenditure	Income
£	£
Mr Charles Mills	
Trustee, St Mary's College	- 3,120
Governor, Everton Free School	-

Fr Christopher McCoy

Governor, Holy Spirit Primary School
3,060

1,733

The nature of expenditure transactions relates to payments to schools on behalf of students or secondment agreements for primary teaching staff. All payments were made during the financial year 2020/21 and there were no debtors or creditors at the year end.

22 Connected Charitable Institutions

The University is connected to one charitable institution, Liverpool Hope Carter Preston Foundation which was set up in its current state in April 2012. The University appoints two of the trustees. The Foundation has no income or expenditure. Heritage assets were valued by the insurer at £330,411 and the Foundation has £126,359 in its current account as at 31 July 2020.

23 Provisions for liabilities and charges

	Obligation to fund deficit on USS pension £	Pension enhancement on termination £	Total pension provision £	The
At 1 st August 2020	589,393	141,513	730,906	
Movement in year	(29,261)	(18,922)	(48,183)	
Interest cost	4,303	1,840	6,143	
Actuarial loss	93,140	(15,312)	77,828	
	657,575	109,119	766,694	

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 this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below:

	2021	2020
Discount Rate	0.87%	0.73%
Salary Growth	2.86%	2.50%

Notes (continued)

Since the year end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £1,708,015, an increase of £1,050,440.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Negotiations continue and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

24 Pension and similar obligations

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension Fund (MPF) for non-academic staff. The total pension cost for the period was £4,716,144 (2020: £4,746,637).

	2021 £	2020 £
As at 1 August	29,888,000	19,107,000
Increase in liability	1,470,000	10,781,000
As at 31 st July (see note 22 for further details)	31,358,000	29,888,000
The University's pension liability is analysed as follows:	£	£
Greater Manchester Pension Fund	31,188,000	28,917,000
Merseyside Pension Fund	170,000	971,000
	31,358,000	29,888,000

Teachers' Pension Scheme (TPS)

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

Notes (continued)

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 23.68% of pensionable pay;
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £2,720,497 (2020: £2,584,548).

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded defined benefit scheme, with the assets held in a separate trustee administered fund. The total contribution made for the year ended 31 July 2021 was £2,254,000 of which employer's contributions totalled £1,672,000 and employee's contributions totalled £582,000. The agreed contribution rates for future years are 19.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

Notes (continued)

	2021	2020	2019
Rate of increase in salaries	3.55%	2.90%	3.20%
Rate of increase in pensions in payment/inflation	2.80%	2.10%	2.40%
Discount rate for liabilities	1.60%	1.40%	2.10%
Commutation of pension to lump sums	55.00%	55.00%	55.00%

At 31 July 2020, in order to reflect the impact of proposals by the UK Chancellor and the UK Statistics Authority (UKSA) to align RPI with CPIH (a variant of the Consumer Prices Index that includes an estimate of housing costs), the CPI assumption methodology was reassessed. Based on the sensitivity information provided by the actuary, we expect the impact of this change in approach to be a c.£6,400k increase in the DBO as the CPI assumption is now 0.1% higher than it would have been under the previous methodology. Whilst not an audit adjustment, given the change has led to a material change, the impact should be disclosed in the Company's financial statements since it is a change in accounting estimate under FRS 102.10.18, and also because of the FRC's focus on accounting estimates generally

The allowance for future improvements has been updated from the CMI 2018 model to the CMI 2020 model to reflect the latest available industry data at the balance sheet date. The default smoothing and 2020 weight parameters have been adopted during current year. Though, the assumption for the long term rate of mortality improvements of 1.5% p.a. from the prior year-end for both males and females has been maintained. The assumption for the initial addition parameter has been updated from 0% to 0.5% for this year end. The proposed assumption for future mortality improvements can therefore be considered to lead to the best estimate of the future cashflows that will arise under the plan, consistent with the requirements of FRS 102.28.16.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 as it is not possible to draw any meaningful conclusions. This will be monitored in future periods and will be updated as appropriate. The assumed life expectations on retirement age 65 are:

	At 31 July 2021	At 31 July 2020	At 31 July 2019
Retiring today			
Males	20.50	20.50	20.60
Females	23.30	23.10	23.10
Retiring in 20 years			
Males	21.90	22.00	22.00
Females	25.30	25.00	24.80

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the estimated rates of return were:

	Value at 31 July 21 £000	Value at 31 July 20 £000	Value at 31 July 19 £000
Equities	45,290	35,549	37,812
Bonds	9,705	9,020	7,672
Property	4,529	3,714	4,384
Cash	5,176	4,775	4,932
Share of total market value of	64,700	53,058	54,800

assets			
Present value of scheme liabilities			
- Funded	(95,861)	(81,947)	(72,646)
- Unfunded	(27)	(28)	(34)
Deficit in the scheme	(31,188)	(28,917)	(17,880)

Notes (continued)

Analysis of the amount charged to the statement of comprehensive income

	2021	2020	2019
	£000	£000	£000
Current service cost	(4,158)	(3,859)	(3,008)
Past service cost (including curtailments)	0	294	(550)
Total service cost	(4,158)	(3,565)	(3,558)

Analysis of pension finance income

	2021	2020	2019
	£000	£000	£000
Interest income on plan assets	749	1,163	1,435
Interest cost on defined benefit obligation	(1,171)	(1,562)	(1,741)
Total net interest	(422)	(399)	(306)

Total defined benefit recognised in the statement of comprehensive income

(3,964)	(3,864)	(4,580)

Movement in deficit during year

	2020	2021
	£000	£000
Deficit in scheme	(17,880)	(28,917)
Movement in year:		
Current service charge	(3,859)	(4,158)
Past service charge (including curtailments)	294	0
Net interest	(399)	(422)
Contributions	1,678	1,672
Total Remeasurements recognised in Other Comprehensive Income (OCI)	(8,751)	637

Deficit in the scheme at end of year			(28,917)	(31,188)	
History of experience gains or losses					
	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Return on assets excluding amounts included in net interest	9,903	(3,826)	1,528	2,737	5,253
Value of Scheme Assets	64,700	53,058	54,800	50,707	45,644
% of scheme assets	15.31%	(7.21%)	2.79%	5.4%	11.51%
Total Remeasurements on scheme liabilities	9,266	4,295	7,143	(2,783)	(1,357)
Total present value of scheme liabilities	(95,888)	(81,975)	(72,680)	(60,686)	(59,106)
% of Total present value of scheme liabilities	(9.66%)	(6.01%)	(9.83%)	4.59%	2.30%
Total Remeasurements recognised in Other Comprehensive Income (OCI)	637	(8,751)	(5,615)	5,520	6,110
% of the present value of scheme liabilities	(0.66%)	10.68%	7.73%	(9.01%)	(11.189%)

Notes (continued)

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Merseyside Pension Fund (MPF)

The MPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2021 was £10,000 of which employer's contributions totalled £2,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are 56.2% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	2021	2020	2019
Rate of increase in salaries	4.10%	3.80%	3.80%
Rate of increase in pensions in payment/inflation	2.70%	2.40%	2.40%
Discount rate for liabilities	1.60%	1.50%	2.00%
Commutation of pension to lump sum	50.00%	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates but does not include the potential effects of Covid-19 as it is not possible to draw any meaningful conclusions. This will be monitored in future periods and will be updated as appropriate. The assumed life expectations on retirement age 65 are:

	At 31 July 2021	At 31 July 2020	At 31 July 2019
Retiring today			

Males	21.00	20.90	22.20
Females	24.10	24.00	25.00
Retiring in 20 years			
Males	22.60	22.50	25.20
Females	26.00	25.90	27.90

The University's share of assets in the scheme (which is estimated at 0.1% of total scheme assets) and the estimated rates of return were:

	Value at 31 July 21 £000	Value at 31 July 20 £000	Value at 31 July 19 £000
Equities	3,417	2,918	2,926
Bonds – government	226	264	506
Bonds – other	1,894	1,657	1,697
Property	629	542	566
Cash & other	1,894	1,950	1,749
Total market value of assets	8,060	7,331	7,444
Present value of scheme liabilities			
- Funded	(8,224)	(8,294)	(8,663)
- Unfunded	(6)	(8)	(8)
	(170)	(971)	(1,227)

Notes (continued)

Analysis of the amount charged to the income and expenditure account

	2021 £000	2020 £000	2019 £000
Employer service cost (net of employee contributions)	(45)	(42)	(41)
Past service cost	0	(54)	(19)
Total operating credit/(charge)	(45)	(96)	(60)

Analysis of pension finance income/(costs)

	2021 £000	2020 £000	2019 £000
Interest on plan assets	108	147	198
Interest on pension scheme liabilities	(122)	(171)	(211)
Pension finance costs	(14)	(24)	(13)
	2021 £000	2020 £000	2019 £000
Actual return on plan assets	914	(82)	229
Experience gains and losses arising on the scheme liabilities	152	356	-
Change in financial and demographic assumptions underlying the scheme liabilities	(207)	(14)	(1,010)

Total remeasurement included within statement of comprehensive income	859	260	(781)

Movement in deficit during year

	2021 £000	2020 £000	2019 £000
Deficit in scheme at beginning of year	(971)	(1,227)	(531)
Movement in year:			
Current service charge	(45)	(42)	(41)
Contributions	2	117	159
Past service charge (including curtailments)	0	(54)	(19)
Administration costs	(1)	(1)	(1)
Settlements and Curtailments	-	-	-
Net interest	(14)	(24)	(13)
Total Remeasurements recognised in Other Comprehensive Income (OCI)	859	260	(781)
Deficit in scheme at end of year	(170)	(971)	(1,227)

Notes (continued)

History of experience gains or losses

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Return on assets excluding amounts included in net interest	914	(82)	229	298	949
Value of scheme assets	8,060	7,331	7,444	7,155	6,844
% of scheme assets	11.3 4%	(1.12%)	3.08%	4.1 6%	13.87%
Total Remeasurements on scheme liabilities	55	(342)	1,010	(228)	402
Total present value of scheme liabilities	(8,230)	(8,302)	(8,671)	(7,686)	(7,984)
% of Total present value of scheme liabilities	(0.67%)	4.12%	(11.65%)	2.97%	(5.04%)
Total Remeasurements recognised in Other Comprehensive Income (OCI)	859	260	(781)	526	547
% of the present value of scheme liabilities	(10.44%)	(3.13%)	9.01%	(6.84%)	(6.85%)

25 Financial Instruments

The University operates a treasury management function which is responsible for managing the credit, liquidity and interest risk. These financial risks are managed within the parameters specified in the approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by Higher Education Funding Council for England (HEFCE) and is reviewed, updated and approved annually.

The University's principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University's operations. The University also has other financial assets and liabilities arising directly from its operations ie trade debtors and creditors.

Credit risk arises from bank balances, investments, student debtor and commercial customers. Student and commercial debtors are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain, or written off if deemed irrecoverable.

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Daily, weekly and monthly monitoring of cash position and regular cashflow forecasts are part of the control environment and planning throughout the year. The University policy is to maintain a balance of no more than £10m with any single banking organisation.

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in the value of balance sheet items.

The fair values of each category of the University's financial instruments are the same as their carrying value on the statement of financial position.

Notes (continued)

Financial Assets	2021	2020
Investments	9,500,000	16,000,000
Trade & Other Receivables	1,119,617	1,062,680
Cash & Cash Equivalents	25,048,438	7,698,697
	35,668,055	24,761,377
Financial Liabilities	2021	2020
Loans	4,787,754	5,318,329
Trade & Other Payables	1,036,772	378,567
	5,824,526	5,696,896

26 Reconciliation of Net Debt

2021

2020

Net Debt at 1 August	3,783,764	1,669,825
Movement in Cash & Cash Equivalents	17,349,738	(2,590,118)
Other non-cash changes	(35,202,493)	4,704,057
Net Debt at 31 July	(14,068,991)	3,783,764
Change in Net Debt	(17,852,755)	2,113,939

Analysis of Net Debt:

	2021	2020
Cash & Cash Equivalents	25,048,436	
7,698,698		
Borrowings: amounts falling due within 1 year		
Secured loans	892,143	530,575
Borrowings: amounts falling due after 1 year		
Secured loans	3,895,610	4,787,754
Obligations under finance lease	6,191,692	
6,164,133		
	10,087,302	10,951,887
Net Debt	(14,068,991)	3,783,764

Notes (continued)

27 Prior Period Adjustment

Capital grants totalling £255,616 for 2020 have been restated to reflect the accurate source of funding body grants. Originally categorised under donations and other grant income, £233,580 was received from OfS and £32,036 from EPSRC in the prior year so have been moved to the respective lines in note 1 funding council grants. This prior period adjustment has not impact on the surplus reported in the prior year or the net assets of the University at the 31st July 2020.

Staff costs for 2020 have been restated to reflect the movement of FRS 102 staff pension adjustments. £1,913,618 was moved from the 'administration and central services' line within note 8 other operating expenses, to the 'FRS 102 staff pension adjustments' line within note 7 staff costs. These pension adjustments are costs associated with staff related pensions which are calculated by independent fund actuaries. These costs are included in the Statement of Comprehensive Income. This prior period adjustment has no impact on the surplus reported in the prior year or the net assets of the University at the 31st July 2020.