Birkbeck,
University of London

Annual Accounts
for the year ended 31 July 2024

Registered address:

Malet Street
Bloomsbury
London
WC1E 7HX

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OFFICERS OF THE UNIVERSITY AND SENIOR MANAGEMENT 2023/24

PRESIDENT
Baroness Joan Bakewell

VICE-PRESIDENT
The Right Honourable the Lord Mayor of London

CHAIR OF GOVERNORS
Sir Andrew Cahn

SENIOR MANAGEMENT OF THE UNIVERSITY

VICE-CHANCELLOR
Professor David Latchman (to December 2023)
Professor Sally Wheeler (from January 2024)

DEPUTY VICE-CHANCELLORS
DVC Education & Student Experience: Professor Diane Houston
DVC Academic & Corporate: Professor Matthew Innes

PRO VICE-CHANCELLORS
PVC Research: Professor Julian Swann
PVC International: Professor Kevin Ibeh
PVC Academic Projects: Professor Joanne Leal

EXECUTIVE DEANS*
Faculty of Business & Law: Professor Geoff Walters
Faculty of Science: Professor Rick Cooper
Faculty of Humanities & Social Sciences: Professor Matthew Davies

COLLEGE SECRETARY AND CLERK TO THE GOVERNORS
Mr Keith Harrison

CHIEF FINANCIAL OFFICER
Mr Keith Willett

DIRECTOR OF HUMAN RESOURCES
Ms Eileen Harvey

***NOTE:**

An academic restructure of the University during 2022/23 led to the creation of three new Faculties. The Executive Deans commenced their roles as academic leads for each Faculty on 1 August 2023.

MEMBERSHIP OF COMMITTEES 2023/24

THE GOVERNING BODY

Chair of Governors	Sir Andrew Cahn
Deputy Chair	Mr Simon Davis
Academic Board governors:	Professor Anthony Bale (from October 2023 to July 2024) Dr Pam Yeow (from November 2023)
Academic staff governors:	Dr Imke Henkel (from October 2023 to July 2024) Dr Sarah Marks (from October 2023)
Non-teaching staff governor	Ms Wendy James
Student governors:	Mr William Sarenden (from August 2023) Ms Ellie Rivera (from August 2023 to July 2024)
Alumnus governor	Ms Odessa Hamilton
Independent governors:	Mr Robert Allison (to September 2023) Ms Nana Banton Ms Gillian Broadley Mr Andy Kemp Ms Cindy Leslie Ms Rachel Neaman Mr Daniel Peltz Mr Duncan Sankey Mr Andreas Utermann
Ex-Officio governors who are also officers of the University:	
Vice-Chancellor:	Professor David Latchman Professor Sally Wheeler
Deputy Vice-Chancellor, Academic & Corporate	Professor Matthew Innes
In attendance:	
College Secretary and Clerk to the Governors	Mr Keith Harrison
Chief Financial Officer	Mr Keith Willett
Deputy College Secretary (Governance)	Mrs Katharine Bock
Deputy Vice-Chancellor, Education & Student Experience	Professor Diane Houston
Pro-Vice-Chancellor (Research)	Professor Julian Swann

Staff and student governors were elected under existing standing orders.

MEMBERSHIP OF COMMITTEES 2023/24 (continued)

FINANCE AND GENERAL PURPOSES COMMITTEE

Chair	Ms Gillian Broadley
Vice-Chancellor:	Professor David Latchman
	Professor Sally Wheeler
Deputy Vice-Chancellor, Academic & Corporate	Professor Matthew Innes
Chair of Governors	Sir Andrew Cahn
Academic governors:	Professor Anthony Bale
	Dr Imke Henkel
Non-teaching staff governor	Ms Wendy James
Student governors:	Mr William Sarenden
	Ms Ellie Rivera
Independent governors:	Mr Robert Allison
	Mr Andreas Utermann
	Mr Daniel Peltz
	Ms Nana Banton
In attendance:	
College Secretary and Clerk to the Governors	Mr Keith Harrison
Chief Financial Officer	Mr Keith Willett
Director of Human Resources	Ms Eileen Harvey
Deputy College Secretary (Governance)	Mrs Katharine Bock
Deputy College Secretary (Operations)	Ms Megan Reeves
Director of Estates	Mr Daniel Xuereb
Director of Marketing & External Relations	Ms Lynn Grimes

NOMINATIONS COMMITTEE

Chair of Governors	Sir Andrew Cahn (Chair)
Deputy Chair of Governors	Mr Simon Davis
Vice-Chancellor:	Professor David Latchman
	Professor Sally Wheeler
Academic governors:	Dr Imke Henkel
	Dr Sarah Marks
Student governor	Ms Ellie Rivera
Independent governors:	Mr Robert Allison
	Ms Cindy Leslie
	Ms Rachel Neaman
In attendance:	
College Secretary and Clerk to the Governors	Mr Keith Harrison
Deputy College Secretary (Governance)	Mrs Katharine Bock

MEMBERSHIP OF COMMITTEES 2023/24 (continued)

REMUNERATION COMMITTEE

Chair of Governors	Sir Andrew Cahn (Chair)
Deputy Chair of Governors	Mr Simon Davis
Independent governors:	Mr Andreas Utermann
	Ms Nana Banton
	Ms Gillian Broadley
In attendance:	
Director of Human Resources	Ms Eileen Harvey

AUDIT COMMITTEE

Chair	Ms Cindy Leslie
Independent governors:	Mr Duncan Sankey
	Mr Andy Kemp
External co-opted member	Ms Sam Christian
By invitation:	
Vice-Chancellor:	Professor David Latchman
	Professor Sally Wheeler
In attendance:	
College Secretary and Clerk to the Governors	Mr Keith Harrison
Chief Financial Officer	Mr Keith Willett
Deputy Director of Finance	Ms Aarti Rayrella
Deputy College Secretary (Governance)	Mrs Katharine Bock
The Internal Auditor (KPMG)	Mr Neil Thomas
The External Auditor (BDO)	Mr James Aston

STRATEGIC ESTATES AND INFRASTRUCTURE COMMITTEE

Chair	Mr Daniel Peltz
The Vice-Chancellor:	Professor David Latchman
	Professor Sally Wheeler
Independent governors:	Ms Rachel Neaman
	Ms Gillian Broadley
Academic governors:	Dr Sarah Marks
	Dr Pam Yeow
Student Union representative	Artemi Falzon (from July 2023 to June 2024)
External co-opted member	Mr Peter Zinkin
College Secretary and Clerk to the Governors	Mr Keith Harrison
Chief Financial Officer	Mr Keith Willett
Director of Estates	Mr Daniel Xuereb
Chief Information Officer	Mr James Smith

MEMBERSHIP OF COMMITTEES 2023/24 (continued)

DIGITAL COMMITTEE

Chair	Ms Rachel Neaman
Independent Governors	Ms Nana Banton
	Mr Andy Kemp
Vice-Chancellor	Professor Sally Wheeler
External co-opted member	Mr Peter Zinkin
Academic Governor	Professor Anthony Bale
Deputy Vice-Chancellor, Education & Student Experience	Professor Diane Houston
College Secretary	Mr Keith Harrison
Director of Estates	Mr Daniel Xuereb
Chief Financial Officer	Mr Keith Willett
Chief Information Officer	Mr James Smith

UNIVERSITY EXECUTIVE BOARD

Vice-Chancellor (Chair):	Professor David Latchman
	Professor Sally Wheeler
Deputy Vice-Chancellors:	
Academic & Corporate	Professor Matthew Innes
Education & Student Experience	Professor Diane Houston
Pro-Vice-Chancellors:	
Research	Professor Julian Swann
International	Professor Kevin Ibeh
Academic Projects	Professor Joanne Leal
College Secretary and Clerk to the Governors	Mr Keith Harrison
Deputy College Secretary (Governance)	Mrs Katharine Bock
Deputy College Secretary (Operations)	Ms Megan Reeves
Chief Financial Officer	Mr Keith Willett
Director of Human Resources	Ms Eileen Harvey
Director of Planning & Strategic Projects	Mr Nick Head
Director of External Relations	Ms Lynn Grimes
Chief Information Officer	Mr James Smith
Executive Deans:	
Faculty of Business & Law	Professor Geoff Walters
Faculty of Science	Professor Rick Cooper
Faculty of Humanities & Social Sciences	Professor Matthew Davies

MISSION STATEMENT

The **principal aims** of Birkbeck are to:

- provide flexible and part-time higher education courses which meet the changing educational, cultural, personal and career needs of students of all ages; in particular those who live or work in the London region;

- enable adult students from diverse social and educational backgrounds to participate in our courses;

- make available the results of research, and the expertise acquired, through teaching, publication, partnerships with other organisations and the promotion of civic and public debate; and

- maintain and develop excellence in research and provide the highest quality research training in all our subject areas.

The **key supporting objectives** are to:

- offer our students an integrated range of flexible, research-led courses across all levels of provision;

- achieve and maintain strong research cultures in support of interdisciplinary work in each school and faculty;

- ensure the University provides an inclusive working and learning environment for its students and staff so that all may develop to their full potential;

- develop the University's capacity to respond rapidly to new and changing opportunities in higher and further education; and

- develop sustainable partnerships within the London region and beyond.

STRATEGIC REVIEW

Vice-Chancellor's report

This is my first report as Vice-Chancellor, after returning to the UK from Australia to take up the role in January 2024. Whilst these are challenging times for our sector and for Birkbeck, my experience of this first year – the dedication of our staff and the engagement and commitment of our students – has only reinforced my appreciation of the Birkbeck community and the Birkbeck mission. We have moved forward this year and continue to do so through our collective effort. I want, at the outset, to express my thanks to everyone who has made that possible.

About Birkbeck

Birkbeck is a unique London-based teaching and research institution providing access to higher education for traditional and non-traditional students of all ages. Our students face the reality of competing priorities and calls on their time. From 18 to 61+ (over 250 of our students were over 61 in 2023/24), they are living their lives with all the commitments that entails. Often, they are working, have caring or other responsibilities. Our job is to make sure that in doing all that, they can benefit from higher education, not miss out on it.

Our student body is diverse with 42% from ethnic minority backgrounds, 57% women and 25% declaring a disability in 2023/24. As well as serving the needs of Londoners, we have a growing international student community now welcoming students from over 140 countries around the world.

Our aim is to provide high quality teaching in the context of excellent research and have that proposition at the forefront of our access and widening participation agenda. Birkbeck was successful in the 2021 Research Excellence Framework (REF) return with 83% of our research being rated either 'world leading' (4*) or 'internationally excellent' (3*).

Student recruitment

In last year's report we highlighted that building back student recruitment would be the work of a number of years, not just one or two; this remains the case.

The issues across the sector in relation to international student recruitment were already manifesting themselves at this point last year and we drew attention to the volatility and risk in the international market. Following the significant fall in overall new admissions for 2021/22, 2022/23 saw no further decline in recruitment. Whilst this was positive it was achieved to a significant degree by concerted and successful international recruitment. Increases in international students mitigated the impact of our home recruitment position as we responded to major market changes here and got underway with the significant changes needed to our overall offer and the investment in the infrastructure to support new modes of delivery.

As we anticipated, international recruitment in 2023/24 fell back from its 2022/23 high point, with 744 FTE new students compared to 1,032 FTE. This was a major contributory factor to an overall reduction of new admissions from 3,540 FTE last year to 3,045 FTE this. Whilst not welcome, we were able to respond to the financial impact through concerted financial management and in-year adjustments to our operating budgets.

STRATEGIC REVIEW (continued)

As part of a broad-based repositioning of our course offer and the delivery of our teaching, we announced specific measures this year designed to impact student recruitment from 2024/25:

- the introduction of daytime teaching in a small number of subject areas where there is high potential demand;
- the introduction of new programmes to meet emerging demand;
- the development of international recruitment with a focus shifting to partnership and collaboration;
- and doubling down on action to achieve faster application process and improved conversion. From offer to acceptance and then onto enrolment.

We have made good progress, introducing daytime undergraduate courses in biomedicine, business, health & social care, law, management and psychology alongside a suite of daytime postgraduate programmes initially focused on computing & data science, management & business and psychology.

We have established new programmes in health and natural sciences plus new joint courses in business, law and computing. Next year we will add further to our portfolio, focussing on the environment and artificial intelligence, with that provision drawing on our discipline breadth across the sciences, humanities, business and law.

Significant strides have also been made with process. The further extension of delegated admissions, where offers are made centrally by our Registry admissions team, together with concerted focus on remaining School-based decisions which need input from academic colleagues, has resulted in far quicker offer-making feeding into faster conversion follow-up. 25% of our offers for 2024/25 were made in less than a day and we have more than halved our median offer time compared to 2023/24.

The actions we have been taking are having a positive impact on new enrolments for programmes starting in October 2024. Whilst the challenges driving down direct international recruitment have remained, the year-on-year position for new home enrolments is positive, with an overall increase of 7% recorded at the end of October 2024. New home admissions to undergraduate programmes which we particularly targeted for growth, have increased by 13% whilst at the postgraduate master's level the increase is 1%.

In recent years we began to offer a limited number of Masters programmes with a January start date and were pleased to achieve growth of 14% in Home enrolments in 2023/24. Although international numbers fell year on year in this category as well, we are optimistic that further growth in Home and at least no further falls in international will the outcome in 2025.

Growth in Home student numbers is positive news as we continue with the hard work necessary to innovate our course portfolio, the way and location we deliver and teach it and how we connect with the Birkbeck students of the future. This success has been achieved in an operating environment in which many selective universities increased the number of Home students they recruited in an attempt to offset the continuing fall in international numbers thereby putting significant pressure on institutions across the sector.

STRATEGIC REVIEW (continued)

Birkbeck students are often thought of in terms of their age, but the fact that we have over many years recruited, for example, undergraduates later in life, reflects the opportunities, or rather lack of them in the broader higher education landscape and the consequent life choices our students have taken in response. Things change. Birkbeck students, or rather the students Birkbeck exists to serve, are not ultimately defined by age; they are defined by the circumstances and the struggles they face, the ambition they have, and their commitment to achieve it. Whether 18, 28, or 38, we will find them. Once we do, we need to attract them with the compelling study offer that fulfils that ambition, matches that commitment and fits with those circumstances.

International

In March 2024 Birkbeck commissioned Cormack Consultancy Group (CCG) to review its position in the international education market and suggest possibilities for growing engagement. It reported in June 2024, having considered Birkbeck's current capabilities and potential future offerings. The report highlighted that clear opportunities continue to exist for Birkbeck, both to sharpen our competitiveness in direct retail recruitment and to develop more wholesale recruitment through collaboration and partnership in specific regions.

We have made some immediate changes to support our direct recruitment in the light of the review findings whilst the volatility of the international market in terms of individual student choice, has reinforced the case for the development of longer-term partnership arrangements less immediately susceptible to economic and political factors and highlighted in the review. We are making progress, continuing to develop our existing relationship with the UK-based Cambridge Education Group, who will now provide us with pre and post sessional English language support, as well as identifying priority countries for partnership arrangements in China, India, Sri Lanka, and the US.

We are building relationships with education service providers able to provide knowledge, expertise and capacity to support collaboration with Chinese Universities and in particular the pathway for applications to the Ministry of Education of the People's Republic of China for joint programmes and joint institutes. These arrangements are common in Australia and becoming more common in the UK. In India and Sri Lanka our strategy is to focus more on institutional articulation arrangements with students entering Birkbeck year 2 to join existing programmes.

We believe US collaboration can provide an important route to boost humanities and social science student recruitment at the post-graduate level. This involves US partners for either dual degrees (a Masters degree from both higher education institution) or progression arrangements (undergraduate in the US to a Masters degree at Birkbeck). Obviously, the latter is available to any student from anywhere, but these arrangements offer mapped pathways with some joint or online teaching on the undergraduate degree to encourage selection of the postgraduate option and promotion by staff at both institutions. Term or year abroad options are attractive to US students studying humanities and social sciences and we are working on this opportunity as well.

Current operating position

The 2023/24 total comprehensive income for the year was £24.8 million compared with total comprehensive income of £1.9 million in the previous year. However, this overall position and how it relates to last year is impacted significantly by the valuation of the Universities Superannuation Scheme (USS). The 2023 triennial valuation used updated long-term economic assumptions to value future obligations for the scheme and determined that it was no longer in deficit. The consequence is that our share of the deficit recovery plan has been released in full this year reducing expenditure by £29.7 million (2022/23: a part reduction in liability of £9.5 million).

STRATEGIC REVIEW (continued)

The underlying position after removing the effect of the USS valuation, staff restructuring costs and other gains and losses is a deficit of £5.1 million compared with a deficit of £3.5 million in 2022/23. This reflects the ongoing impact of student recruitment magnified by the structural financial issues that are playing out across the sector (see Table 7). Annual increases in staff costs - due to promotions, inflationary increases, increment advancement and pension costs - exceed the inflationary increase in our main source of income, primarily due to the fee cap set by the government on Home undergraduate tuition fees. The historic resistance by the Government to increase home undergraduate tuition fees has affected the whole higher education sector in England. The current fee of £9,250 is now worth less than two thirds what it was when it was introduced in 2012 and with the impact of recent high levels of inflation the pressure placed on universities to generate an excess of income over expenditure is intense.

Very clearly a deficit position is not where we want to be. However, the year-end position is significantly better in relation to our budget and forecasts at the start of the year. This reflects focussed effort in relation to cost management. We have delivered savings through pay restraint, vacancy management and controls on recruitment. We have carefully managed staff costs during the year taking permanent savings where we can and recycling vacancies to better meet future needs. The net impact of this is that we have managed to exceed the staff savings target of £1.5 million included in the revised budget by some £1.7 million.

Budget managers across the University have continued to be bear down on non-staff expenditure resulting in reduced expenditure of £3.2 million compared to budget. In addition, our investment funds have performed well through the year primarily due to increases in equity values. This is reflected in an increase in investment income of £0.5 million over 2022/23 (representing an increase of 41.0%) as well as a gain on investments for 2023/24 of £1.4 million (2022/23: a loss of £0.3 million).

Given the current situation, effective cashflow monitoring and management have remained a key focus for us throughout the year. Despite an increase in cash outflow from operations to £5.0 million from an outflow of £1.3 million in 2022/23, total cash and investments at 31 July 2024 totalled £46.7 million (2022/3: £49.6 million). The impact of strong financial management and in-year interventions, coupled with a restriction in new capital projects being commenced, has allowed us to minimise the fall in cash. We will need to retain a focus on liquidity and total cash holdings for the foreseeable future.

Organisational change and leadership

On the 1st of August 2023, the University moved to its new operating structure, providing academic focus through three larger-scale Faculties – Science, Business & Law, and Humanities & Social Sciences. Each Faculty is comprised of Schools that bring together disciplines, supporting continuing academic breadth whilst ensuring efficient and effective scale. I am grateful to all those who worked on the organisational, operational and systems dimensions of implementing this major change to tight deadlines.

Whilst there was considerable challenge going into the 2023/24 academic with a new organisation and new roles and role-holders within it, the new structure has bedded in well over the course of the year. Organisational reform has gone hand in hand with refreshed and renewed academic leadership. For our Heads of School we have drawn on internal talent but supplemented this by recruiting externally in specific areas to bring new thinking and perspective into the management team. These roles, working in tandem with new student recruitment leads have supported the sharper, concerted focus on recruitment that was one of my key priorities for the 2024 cycle and will remain a focus into the future.

STRATEGIC REVIEW (continued)

In addition to the operation of the University Executive Board, I have established a quarterly leadership group that brings together our senior academic and professional services leaders. This group functions to promote common understanding of the issues we face, our priorities for action, and to develop closer working, understanding and open communication across the institution. The feedback so far has been positive.

2024 has also seen long-standing members of my immediate senior team– the College Secretary, the Pro Vice-Chancellor Research and the Pro Vice-Chancellor International - retire or step down. I am grateful for their service and for their support over what has been an important period of transition. In making changes to the structure and composition of the senior team for the future my focus has been to capitalise on, and more closely integrate, the talent of our senior academic and professional services management and to create functional groupings that align leadership with underlying resource and dovetail with our urgent priorities.

The major institution-wide areas of strategy – education & student experience, research and academic & corporate affairs are now each be led by a Deputy Vice-Chancellor, working directly with the professional services areas that support those activities. In terms of continuity, Diane Houston continues her work as DVC for Education & Student Experience as does Matt Innes as DVC Academic & Corporate. We are currently conducting the search for our new DVC Research.

Financial strategy, recovery and sustainability are vital to Birkbeck. Accordingly, Keith Willett, as Chief Financial Officer, is now working directly to me with a remit that includes Estates & Facilities and Registry. Our digital strategy and investment in supporting infrastructure are increasingly central to how we operate, compete and deliver our mission and similarly the Chief Information Officer is now working directly to me.

Birkbeck is a small institution and in the current climate there are real challenges associated with that. We cannot compensate for all the disadvantages of size but we can play to the advantages of our smaller scale. Simplification of structure, management, lines of communication and operation are all designed to help us realise this advantage. Birkbeck will prosper by making the right strategic choices, but it needs to act and operate at a faster pace in turning choice into reality.

Progress with cost savings

The purpose of our 2023 re-organisation was to deliver both a better operating structure but also significant staff savings within it. We have achieved both objectives. In 2022/23 we delivered £9.0 million in staff savings, £1.0 million more than the original target of £8 million.

During the year, we completed a major review of our information services, covering both our library and ITS provision, with the new structure and roles within it coming into effect from 1 August 2024. The aim of the review has been both to deliver savings and to deliver more effective, integrated provision organised around our future needs. Overall, the annual savings impact for 2024/25 will be around £0.8 million.

Repositioning our course offer and the delivery of our teaching

We are continuing to invest in, and make good progress in, implementing our Creating Inclusive Learning initiative, having committed to an £8.0 million phased capital programme, supported in part by capital funding of £3.0 million from the Office for Students (OfS).

STRATEGIC REVIEW (continued)

This project is core to our strategy to invest in and deliver our teaching through a flexible blend of campus and digital experience. The driving force behind this initiative is to give our diverse student community the opportunities they deserve in a form of delivery that recognises their changing circumstances and needs.

The project has two strands:

- HyFlex teaching– adaptation of our classrooms (particularly in relation to IT and AV) to enable students to choose whether they join classes in-person or synchronously online providing a high-quality interactive learning experience in both modes;

- Virtual Reality & Immersive Learning (VRIL) suite – creation of purpose built, co-located spaces to enhance the range and scope of our teaching and support for the longer term through the use of modern software and technology. This Immersive Learning Centre will deliver genuine innovation through new types of course content and new ways of teaching and interacting with our students.

The project aims are that, initially, at least 50% of our students will have access to HyFlex teaching events from the start of the 2025/26 academic year and that all students will have access to HyFlex teaching events where pedagogically appropriate, from the commencement of the 2026/27 academic year. The first 30 of our classrooms have now been converted for Hyflex use and in tandem with the physical room installation work, the Digital Education team have been working with colleagues to undertake the necessary staff development and curriculum enhancement work required to support the delivery of HyFlex teaching and an expanded Hyflex portfolio in 2024/25. Staff and student feedback from the 2023/24 pilot programme was very positive. The initiative is being well received with flexibility, convenience and accessibility highlighted as the main advantages from the student perspective.

Following the completion of the technology research phase the estates building and enabling works for the Immersive Learning Centre have been completed and procurement is underway for the IT and audio-visual equipment. The Centre will comprise four main facilities

- The Immersive Learning Classroom will cater for Virtual Reality (VR) and Augmented Reality (AR) experiences primarily for class groups;

- The Immersive Learning Studio will provide space for the creation of VR/AR content using technologies like motion capture, 3D scanning, immersive audio recordings and conventional recordings using cameras and audio that are then integrated into experiences using the other technologies;

- The Immersive Learning PC Lab will house high-spec PCs for teaching VR/AR, developing VR/AR resources and other digital media development skills such as video editing;

- In conjunction with the Library, an Immersive Learning Loan Service will allow staff and students to borrow VR headsets, 360 degree cameras, digital recorders and other production equipment. This will enable all students to independently explore a range of VR/AR opportunities and provide resources for staff and students to produce immersive media, create learning materials, undertake research and complete coursework.

The student experience

Our institutional restructuring has enabled us to provide more focus and resource in support of the student experience. We have developed a new Student Learning Development Strategy to provide a clear road map for our work to enhance all aspects of the student journey.

From the 2023/24 academic year we have created Faculty-level Head of Education posts as well as school-level undergraduate and taught postgraduate leads. We have taken the opportunity to enhance and clarify the roles and responsibilities for programme and module leads. We have created new professional service posts aimed specifically at tracking and intervention in relation to student engagement, and this work is further supported by the online student engagement system being developed as part of our Student Success Project. We are continuing to review the balance of our services between online and face-to-face delivery and looking at how we can provide more services on site at times that will be most helpful to students.

We have integrated all academic development and study skills staff into one cross-institutional team led by an experienced member of staff. In addition to academic support, we have worked on the comprehensive student support provided via the student services team. This includes orientation and induction, student advice services, financial support, student wellbeing services, support for students with disabilities, mental health services, and careers & enterprise support.

We have invested in our capacity and expertise to support work on Student Voice and other feedback and survey activity. This backs our aim to develop and improve our university-wide approach to student voice and improving the student experience in response to student feedback. The immediate priorities have been to: develop guidance and information to raise awareness and student engagement of student feedback opportunities; establish monitoring processes that track actions in response to student feedback and close the feedback loop; forge stronger ties with student groups and the Birkbeck Students' Union; to bring the student voice into university projects, initiatives and monitoring; embed student feedback metrics, actions and responses into Annual Quality and Enhancement processes; enhance student voice data literacy and visualisations to expand the data-led culture at Birkbeck.

We have put in place more support and development for our teaching colleagues. Last year, we introduced a new Birkbeck fellowship pathway, focussing on early career staff. Fortnightly workshops over two terms are facilitated by Birkbeck academics, external consultants and experienced experts in their field. At the end of the programme participants are supported in writing and submitting an application for the appropriate level of Advance HE fellowship.

Looking forward

We are continuing to focus on the following immediate priorities:

Daytime teaching. Building on the initial rollout of programmes in 2024/25, we will continue to expand our daytime teaching portfolio in areas of high potential demand. We are offering students the choice between an afternoon and an evening offer, with study organised around two- or three-days of campus attendance a week. As with evening teaching sessions, day-time study will be supported with rich online learning resources.

Market analysis indicates that this model should appeal to younger commuter students in Greater London and its immediate hinterland combining study with other commitments and our location and reputation will enable us to better compete and meet this demand.

STRATEGIC REVIEW (continued)

Building our international market. We will continue to develop our existing relationship with the UK-based Cambridge Education Group. We will identify and pursue opportunities emerging through our relationships with education service providers to support collaboration with Chinese Universities, pursue institutional articulation arrangements in India and Sri Lanka, and through opportunities with US institutions to boost humanities and social science student recruitment at the post-graduate level. Our increasing suite of daytime programmes will make our offer more attractive to international markets and we are now focussing effort on improving our position in international league tables such as the QS rankings to improve our overall competitive profile. We have a strong story to tell here but need to devote time to presenting our strengths and international reach more systematically and consistently.

New programmes. We will be launching new programmes across the University in 2025 bringing together academic creativity with market research and capitalising on the breadth of our academic subjects and the clear synergy between them, particularly in areas such as artificial intelligence and the environment.

HyFlex. We will continue the major investment in the infrastructure and facilities that will enable us to reach new students through HyFlex delivery with teaching simultaneously taking place on campus and online. This innovation means that in our areas of major academic and research strength we will be able to open our teaching portfolio at distance across the UK, as well as to those able to attend classes in central London.

Developing, rethinking and resizing our estate

We have committed to the transformation of our estate to create a connected campus clearly focussed on our main Torrington Square site, rationalising our other estate holdings to create the foundation for a future estate that can be sustainable, both environmentally and financially.

Linked to our education strategy we have achieved our aim of all Birkbeck classes being delivered in Birkbeck classrooms, recognising that to deliver the learning experience we want we need to have tight integration between our physical estate and our digital infrastructure including direct control over both.

Our aim through development, investment and the co-location of facilities and services is to create a campus environment that supports a transformational student experience alongside modern facilities that underpin the excellence of our research. We will do that by focussing on the development and refurbishment of the adjacent buildings that now run the full length of Torrington Square to the West: Birkbeck Central, the Torrington Square Main Building, and, in the longer-term, the redevelopment of the Main Building extension.

We will retain our existing buildings around Torrington Square to the East – the Wohl Wolfson Toddler Lab, the Clore Management Centre, and the Henry Wellcome Building - to support our connected campus, creating a clear Birkbeck presence and identity around the Square.

In this context we have progressed the identification of options for the location of our teaching, our staff and our key infrastructure and facilities. This is now allowing us to pursue various opportunities for estate asset sales that support both our overall financial position and provide long-term capacity for strategic investment.

STRATEGIC REVIEW (continued)

We have continued with our planning for the progressive development of Birkbeck Central as the focus for investment in the student experience. Our Estates and IT Teams have worked in close collaboration on the implementation of our HyFlex teaching project. This year we have earmarked over £2.0 million of capital funding to student experience focussed projects including the development of a brand-new Student Wellbeing Lounge on the ground floor of the Birkbeck Central building. This front facing facility will provide flexible multipurpose spaces opening the ground floor and bringing currently unusable space into use. The space will be our largest student space outside of the library benefitting our current student body and responding directly to the feedback received as part of our consultation with students. It recognises that our current and future students need to work, collaborate and interact in new ways. In a related project we are also refurbishing our existing Student Centre at the entrance to our main Torrington Square building, again with similar objectives.

To support our major organisational change, we have created more dedicated space that supports agile, hybrid working, bringing the professional services teams in our new Faculties together to enable more collaborative working in modern flexible and highly efficient workspaces.

In pursuit of the connected campus agenda, we have identified and implemented opportunities to improve the public realm environment surrounding our estate and the overall visual identity and wayfinding. We have been successful in securing external funding to support our environmental and sustainability agenda and this will give further impetus to our work on heat decarbonisation.

Alumni and friends of the University

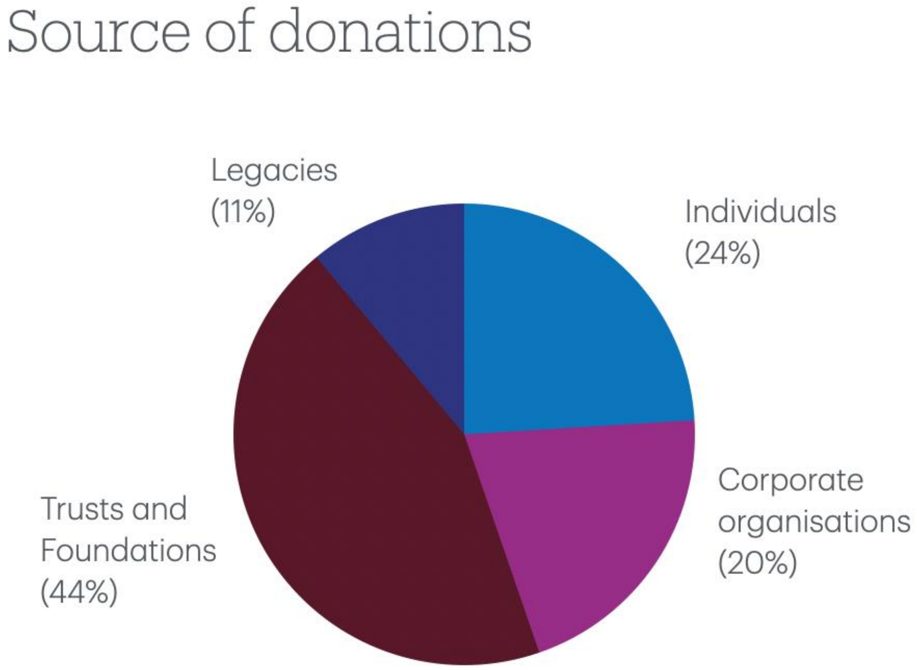
The 2023/24 financial year marked the culmination of our activity around Birkbeck's 200th anniversary and 'The World Needs More Birkbeck' campaign. The highlight of this programme was the 200th Foundation Day Dinner at Mansion House hosted by HRH the Princess Royal, The Lord Mayor Alderman Professor Michael Mainelli and outgoing Vice-Chancellor Professor David Latchman. This was attended by 200 members of the Birkbeck community.

The generosity of alumni, friends, corporate partners, trusts and foundations allows the University to continue to support our student community and to advance our world leading research. Donations supporting a range of strategic priorities have been offered including:

- Widening access to education and supporting our students: including scholarships, bursaries, hardship support and developing our employability and wellbeing offer;
- Capital projects, facilities and equipment: including technology such as Hyflex, VR and AR to enhance our teaching and learning;
- Academic research: including academic posts, PhD studentships and seed funding for new areas of research.

STRATEGIC REVIEW (continued)

In the year to 31 July 2024, £2,033,660 of new philanthropic income was committed to Birkbeck by over a thousand donors, from alumni pledging regular monthly gifts to multiple five and six figure pledges from individuals, charitable trusts and corporate organisations. The following chart demonstrates the breadth of philanthropic support.



In addition to supporting the University financially our community of alumni and friends adds significant value through volunteering as keynote speakers, guest lecturers, mentors, panellists and ambassadors and giving strategic advice and insight through focus groups and advisory boards. In 2023/24 our community volunteered more than 5,600 hours to help Birkbeck staff and students, with 225 individuals volunteering for the first time.

We continue to deliver a comprehensive programme of communication and events to build our global alumni community. Highlights this year were thought leadership lectures by Sir Kenneth Olisa, Nilufer von Bismarck OBE and Stephen Cooper CBE.

Birkbeck is now looking to build upon the success of our 200th anniversary year to create a step change in alumni engagement and grow philanthropic income generation. A new Director of Development and Alumni, Abbie Carr, has been appointed and took up post in May alongside other new appointments in the team.

Gender pay gap

Birkbeck supports the principle of equal pay for work of equal value and is committed to operating a pay system that is transparent, based on objective criteria, free from bias and which rewards staff in line with the University commitment to equality and diversity. The Gender Pay Gap report is produced each year as part of our ongoing commitment to monitor gender equality and diversity pay issues in our workforce. We have been publishing equal pay audits since 2009 and continue this practice in response to our responsibilities under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which require us to report on certain metrics annually.

STRATEGIC REVIEW (continued)

In addition to the mandatory annual Gender Pay Gap report, Birkbeck also undertakes a full pay audit periodically (most recently April 2022) to provide analysis and recommendations in relation to reward and related management strategies, policies and practices across the institution. This report considers the pay of staff with other protected characteristics such as race and disability and sets out a series of actions to address pay gap issues.

The gender pay data published in March 2024 for hourly pay and bonus pay is summarised in Tables 1 and 2:

Publication date	Mean hourly pay		Median hourly pay		Total employees	
	Female (£)	Male (£)	Female (£)	Male (£)	Female	Male
March 2021	23.37	25.54	21.15	22.91	1,035	875
	Female pay gap 8.5%		Female pay gap 7.7%		Total employees 1,910	
March 2022	24.02	25.61	21.15	21.72	969	833
	Female pay gap 6.2%		Female pay gap 2.6%		Total employees 1,802	
March 2023	25.51	27.13	23.32	24.60	909	774
	Female pay gap 6.0%		Female pay gap 5.2%		Total employees 1,683	
March 2024	26.44	27.94	24.50	25.82	809	668
	Female pay gap 5.4%		Female pay gap 5.1%		Total employees 1,477	

Table 1: Gender pay gap – hourly pay

Although we are pleased that the mean gender pay gap has fallen to 5.4% and is one of the lowest in the sector, we remain committed to further progress on equal pay and have set out both an action plan and monitoring targets.

Publication date	Mean bonus pay		Median bonus pay		Total receiving bonus	
	Female (£)	Male (£)	Female (£)	Male (£)	Female	Male
March 2021	975	916	1,000	912	2.4%	1.1%
	Male pay gap 6.4%		Male pay gap 9.6%		Total receiving bonus 34	
March 2022	888	951	1,098	678	2.8%	1.2%
	Female pay gap 6.6%		Male pay gap 61.9%		Total receiving bonus 42	
March 2023	636	705	400	400	7.2%	4.8%
	Female pay gap 9.8%		No gender pay gap		Total receiving bonus 235	
March 2024	738	1,347	800	900	1.3%	0.9%
	Female pay gap 45.2%		Female pay gap 11.1%		Total receiving bonus 42	

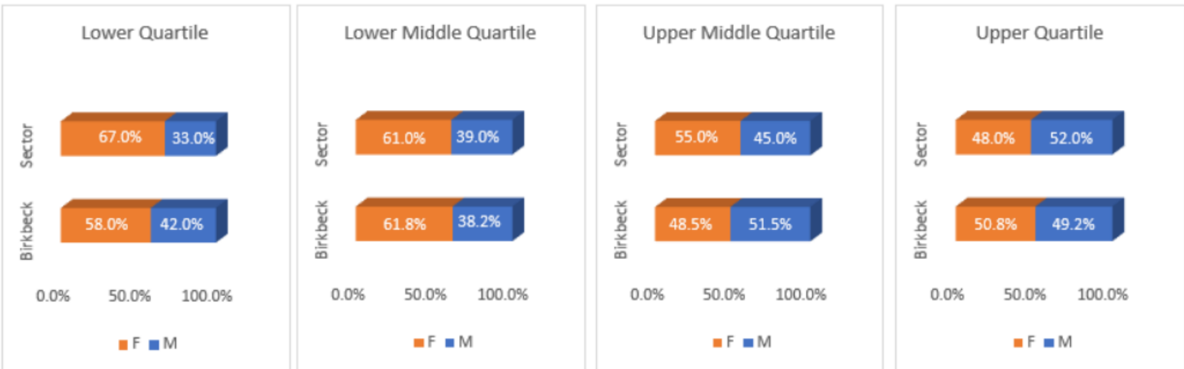
Table 2: Gender pay gap – bonus pay

Birkbeck operates several contribution related schemes which are tailored to reflect the different conditions required to accumulate the skills, knowledge and experience necessary to demonstrate excellence within a role. All schemes formally take account of personal circumstances, and all committee members undertake both formal Equality & Diversity and unconscious bias training. Reward scheme data is reviewed annually by Birkbeck for equality & diversity issues in application and success rates.

The divergence from the mean to the median is linked to one payment which recognises a significant change in effort and contribution in one particular year.

The distribution of men and women across the highest to lowest paid staff groups inverts in favour of men on average in the Higher Education sector. Our commitment to equal pay for work of equal value minimises the horizontal pay gap within grades meaning the population distribution is the most significant factor in the overall gender pay gap. Targeted actions from previous pay reviews and other gender analysis activities, such as Athena Swan, have been identified and put in place to address population imbalances.

Although the vertical gender pay gap remains 2023 saw another small shift towards greater gender equality. In fact, 50.8% of the top quartile in 2023 were female, a reversal of the gap seen in previous years. Our position is now significantly better than the sector average as can be seen in the following graphic.



Note: Quartile pay refers to the hourly pay for all full-pay relevant employees in the relevant pay period. Full-pay relevant employees are ordered from highest to lowest based on their hourly pay and the list is divided into four quarters with an equal number of employees in each section.

Facility time under the Trade Union Regulations 2017 for the relevant period from 1 April 2023 to 31 March 2024

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017 and require public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a union representative. Trade unions play an important role in the modern workplace and there are significant benefits to both employers and employees when organisations and unions work together effectively. The regulations provide a framework for open and transparent monitoring of this.

STRATEGIC REVIEW (continued)

The facility time data for the relevant period is shown below.

Relevant union officials:

Number of employees who were relevant union officials during the relevant period		Full-time equivalent employee number	
2024	2023	2024	2023
27	33	22.8	27.2

Percentage of time spent on facility time:

Percentage of time	Number of employees	
	2023/24	2022/23
0%	4	6
1 - 50%	23	26
51 - 99%	-	1
100%	-	-

Percentage of pay bill spent on facility time:

	2023/24	2022/23
Total cost of facility time	£75,260.85	£61,620.05
Total pay bill for the relevant period (including oncosts but excluding movements in pension provision)	£75,800,000.00	£77,602,000.00
Percentage of the total pay bill spent on facility time	0.10%	0.08%

Paid trade union activities:

Number of hours spent by employees (who were relevant union officials during the relevant period) on paid trade union activities as a percentage of total paid facility time hours.

	2023/24	2022/23
Time spent on paid trade union activities as a percentage of total paid facility time hours	12.09%	8.23%

Financial Review

The Financial Statements presented to the Governors comprise the results of the University. The principal activities undertaken by the University are teaching and research together with ancillary activities necessary to facilitate this. Additional activities include rendering academic services to a variety of educational, commercial and other organisations. The University does not have any subsidiaries so has no need to prepare Group accounts.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS) 102: The financial reporting standard applicable in the UK and Republic of Ireland. The University is a public benefit entity and, therefore, has applied the relevant public benefit requirement of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments).

The completion of the United Kingdom's exit from the European Union, global recovery from the effects of the pandemic, geopolitical events and increases in inflation have had a significant effect on families, businesses, and economies in the last few years. Despite a swift and successful move to on-line learning during lockdown student numbers fell significantly in 2021/22 and have not recovered since. This has led to direct and indirect financial consequences for the University and increased risks as we try and assess an uncertain future.

Although we need to rapidly address a financial position where costs exceed income we are not alone in the UK HE sector. Government regulated tuition fees for Home undergraduate students remain fixed at £9,250 with the Vice Chancellor of KCL noting in September 2024 at the Universities UK annual conference that a fee of between £12,000 to £13,000 more accurately represents the fee required to match inflation since 2015/16. The erosion in value of the fee that can be charged is placing considerable strain on the budgets of all universities in England. Whilst the announcement of an inflationary increase in the home undergraduate fee from 2025/26 is welcomed this is more than offset by the reduction in the maximum fee we can charge for non-STEM foundation year students and the impact of the National Insurance increase. This Financial Review will comment on our performance for the year and the financial impact of pension and other adjustments which contribute to the Statement of Comprehensive Income & Expenditure and Statement of Financial Position.

Results for the Year

Chart 3 compares the main income streams for the last five years whilst Chart 4 summarises the total income for 2023/24.

STRATEGIC REVIEW (continued)

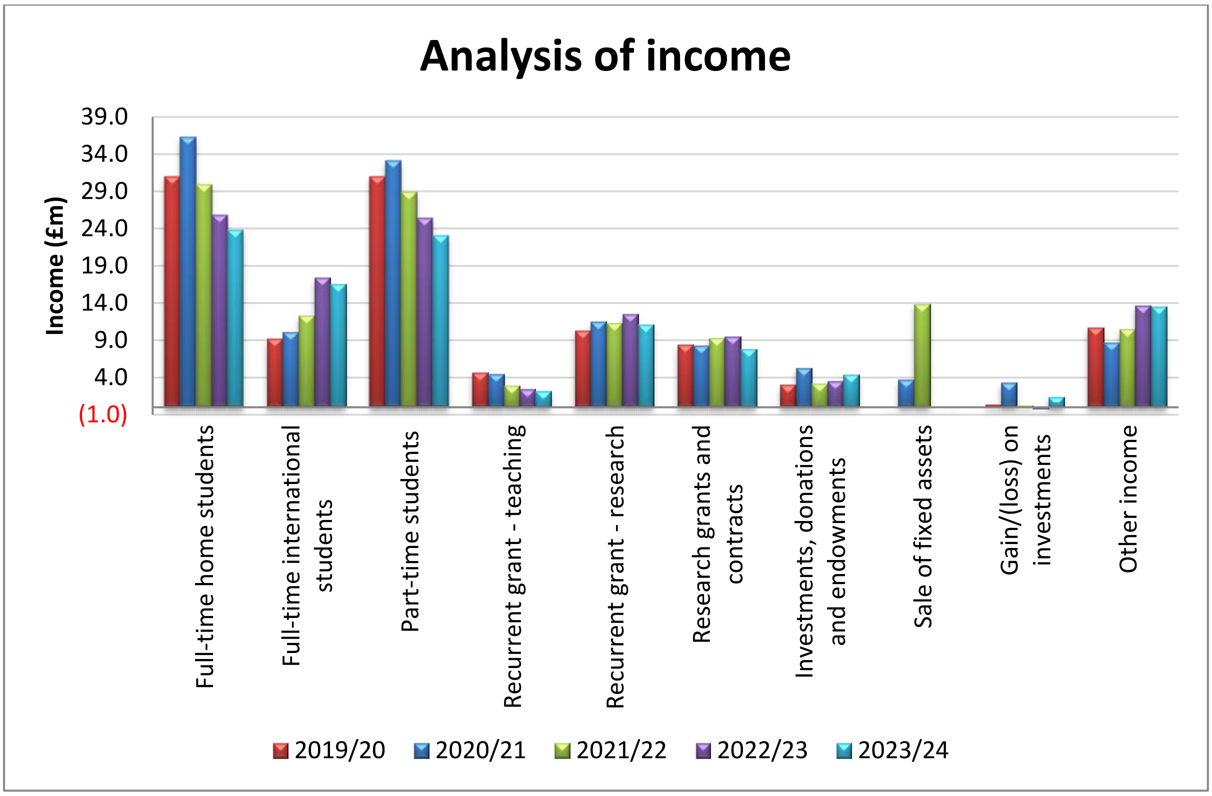


Chart 3: Income by category 2019/20 to 2023/24

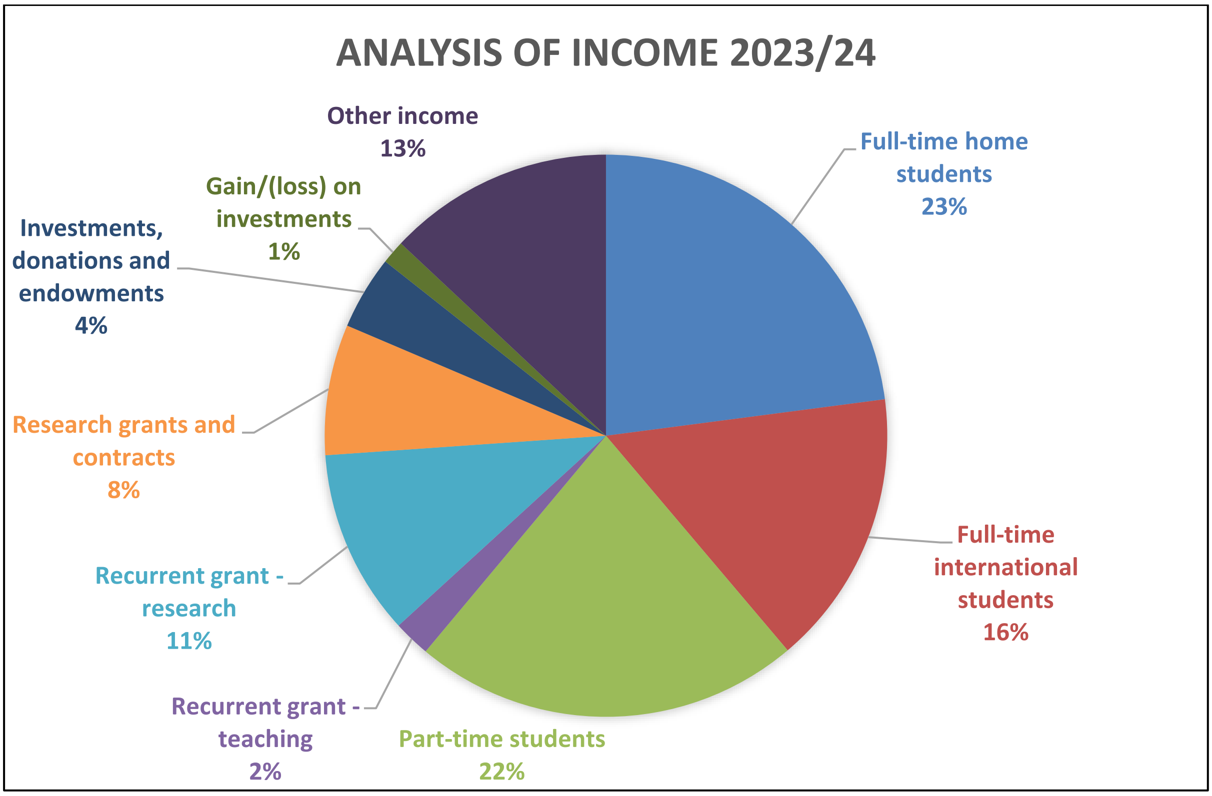


Chart 4: Analysis of income 2023/24

STRATEGIC REVIEW (continued)

The recurrent teaching grant from the government continues to fall and fell by a further £0.2 million in 2023/24. Teaching grant now represents only 2.1% of total income in comparison with 47.5% in 2005/06. In contrast, income from tuition fees has risen from 25.7% in 2005/06 to 61.1% in 2022/23. Tuition income fell by £5.2 million this year to £63.4 million, down from a peak of £79.5 million in 2020/21. 2020/21 saw a spike in applications from EU students wishing to benefit from the final year of UK government tuition fee loans and this increase was replaced by a significant reduction the following year as EU students had to pay their own fees – an outcome seen across the sector not just at Birkbeck. Falls in new undergraduate student numbers have a knock-on effect on future years as larger graduating cohorts of undergraduates are replaced by lower incoming groups of students. Table 3 highlights the cohort effect of lower incoming groups of undergraduates on the number of continuers from the new student peak in 2020/21.

	2019/20 (FTE)	2020/21 (FTE)	2021/22 (FTE)	2022/23 (FTE)	2023/24 (FTE)
New undergraduates	1,804	1,868	1,307	1,360	1,207
Continuing undergraduates	2,862	3,088	3,215	2,857	2,515

Table 3: Cohort effect of falling undergraduate recruitment

Recurrent grant from Research England fell by £1.4 million (11.4%) primarily due to non-recurrent grant funding received in 2022/23 to help offset the negative impact of not being associated with Horizon Europe. We are pleased that UK universities are once again able to collaborate with partners under the programme. Externally funded research activity fell by £1.7 million (18.0%) in part due to the impact on grant capture from having fewer research active staff – a consequence of the need to reduce staff costs in recent years. This fall in grant income is offset by a similar reduction in expenditure.

The University primarily provides teaching to its students in the evening and rents much of its space to other universities during the daytime. Income from lettings, catering and conferences fell by £0.1 million in 2023/24 but still represents 4.7% of total income (2022/23: 4.5%). Given our size we have been very successful in generating philanthropic income receiving £2.7 million in donations and endowments compared with £2.3 million the previous year.

Governors agreed the current investment strategy in 2019/20 which aims to support our core business activities, purchase of capital equipment, infrastructure improvements and our estates strategy. £10.0 million was invested in two externally managed funds with strong Environmental, Social and Governance criteria embedded in investment decision making. Both funds performed remarkably well and in November 2021 combined gains of £4.0 million were realised and converted into cash with both funds reset to £10.0 million. After a fall in equity values and dividend income in 2022/23 investment income grew by £0.5 million (an increase of 41.0%) this year with an unrealised gain in investments of £1.4 million (2022/23: unrealised loss of £0.3 million) being recorded.

STRATEGIC REVIEW (continued)

Chart 5 highlights enrolment trends for our main categories of student since 2012/13 (the first year of higher student fee loans).

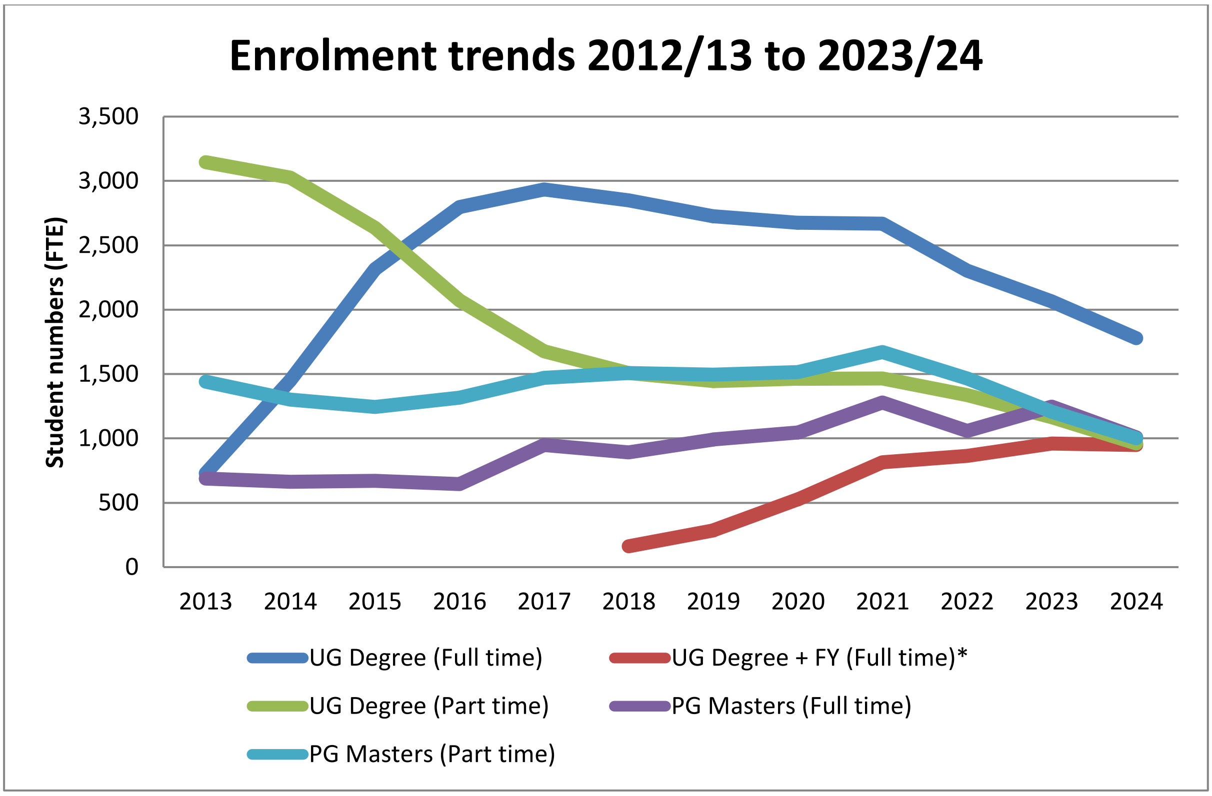


Chart 5: Undergraduate (UG) and postgraduate (PG) enrolment trends 2012/13 to 2022/23

**Undergraduate degree with a foundation year studied in a full-time mode*

The dramatic decline in part-time undergraduate students since the government increased the maximum fee which universities could charge to Home undergraduates to £9,000 in 2012 appeared to have plateaued but further falls have now been experienced in the last three years. We are pleased that the Lifelong Learning Entitlement is scheduled to be introduced from 2027 albeit that the start has been delayed by a year following the autumn 2024 budget. We are generally supportive of measures aimed at relaxing the apprenticeship levy criteria thereby enabling businesses to support a wider range of skills training through part-time and short courses. It is clear that re-skilling and up-skilling of the UK workforce in key areas is a core part of both national and local government strategies and we will be developing new programmes and modes of delivery to further support the ambitions of part-time students.

Historically, postgraduate numbers have increased at points of economic downturn and this occurred again in 2020/21 as a direct consequence of the Covid pandemic. Lockdown restrictions clearly contributed to the significant rise in Home students commencing a Masters programme: students had time available to study so took the opportunity to study as a means to upskill or retrain with an eye on improving career prospects during a post-pandemic (and post-Brexit) recovery.

STRATEGIC REVIEW (continued)

This increase was reversed in 2021/22 in part due to positive employment rates in London and the cost pressures of high inflation. Numbers have reduced further each year with the total number of Home Masters students studying in 2023/24 standing 25.8% below the number in 2021/22 at 1,406 FTE.

International recruitment has fallen significantly across the sector at postgraduate level following the removal of the student dependents' visa. Although the change came into effect in January 2024, enrolment in October 2023 was adversely affected. 697 new international students commenced a Masters programme with us in 2022/23 compared with only 509 a year later - a fall of 27.0%. International undergraduates have not been able to bring dependents to the UK whilst they study so the visa change had limited impact other than to re-enforce perceptions of negative sentiment towards international students. Although Birkbeck recruits significantly lower numbers of undergraduates internationally in comparison with postgraduates, the year-on-year fall in new starts was similar.

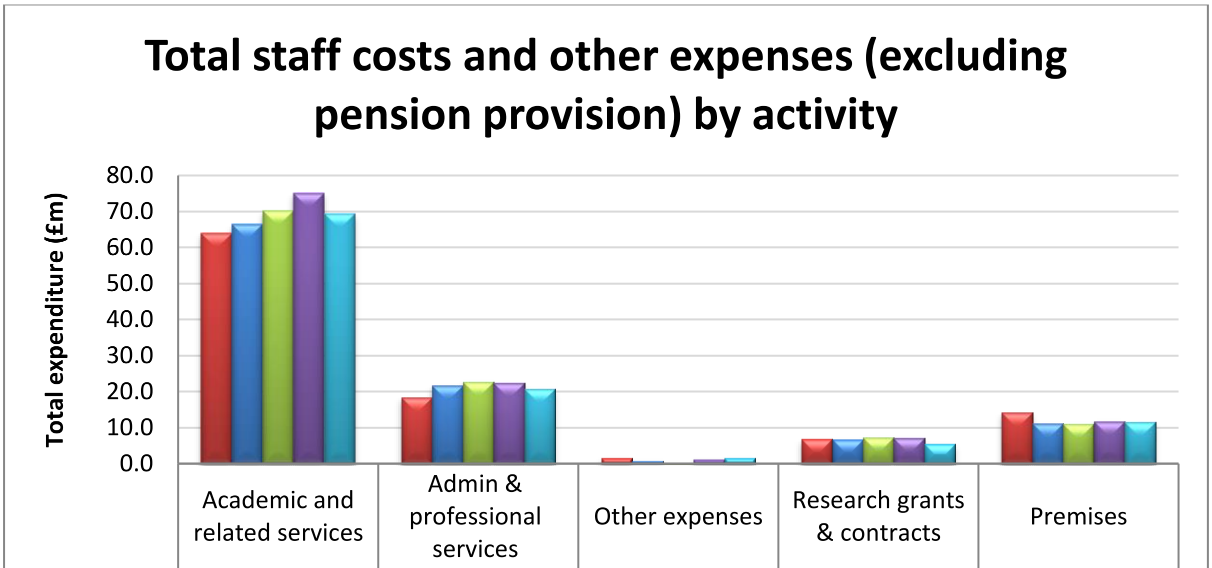
Falls in new student enrolments coupled with the cohort effect of recruiting lower numbers of undergraduates has inevitably had an impact on total tuition income, despite Home postgraduate and international fees being increased in line with inflation each year. Table 4 summarises the change in income over the last four years since the peak in 2020/21.

	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)	Change 21-24
Full-time Home students	36.3	29.9	25.8	23.8	-34.4%
Full-time international students	10.1	12.3	17.4	16.5	+63.4%
Part-time students	33.1	28.9	25.4	23.1	-30.2%

Table 4: Change in tuition income over last four years

We have seen an upward trend in the number of students looking to complete a foundation year before progressing on to year one of a degree since we introduced the programme in 2018. Students studying for a degree with a foundation year represented 14.8% of our student body In 2023/24, Many of our students return to study later in life and often did not achieve A-levels or equivalent whilst at school. We were extremely disappointed when the Government announced that from 2025/26 the maximum fee allowable for non-STEM foundation year provision would be £5,760 rather than £9,250. We believe that the foundation year is critical from an equality perspective and remain committed to delivering the programmes. This fee reduction largely erodes the positive financial impact of the recently announced inflationary increase in the maximum fee we are able to charge undergraduate Home students and will prolong our ability to invest in all the services we wish to provide. This financial challenge is being faced by all universities and is unsustainable for a sector which is fundamental to the success of the UK and its economy.

Charts 6 and 7 summarise where our expenditure has been incurred.



	Academic and related services	Admin & professional services	Other expenses	Research grants & contracts	Premises
2019/20	64.0	18.4	1.6	6.8	14.2
2020/21	66.5	21.7	0.8	6.7	11.2
2021/22	70.2	22.7	0.2	7.3	11.0
2022/23	75.1	22.5	1.2	7.1	11.8
2023/24	69.4	20.8	1.6	5.5	11.5

Chart 6: Expenditure by activity 2019/20 to 2023/24

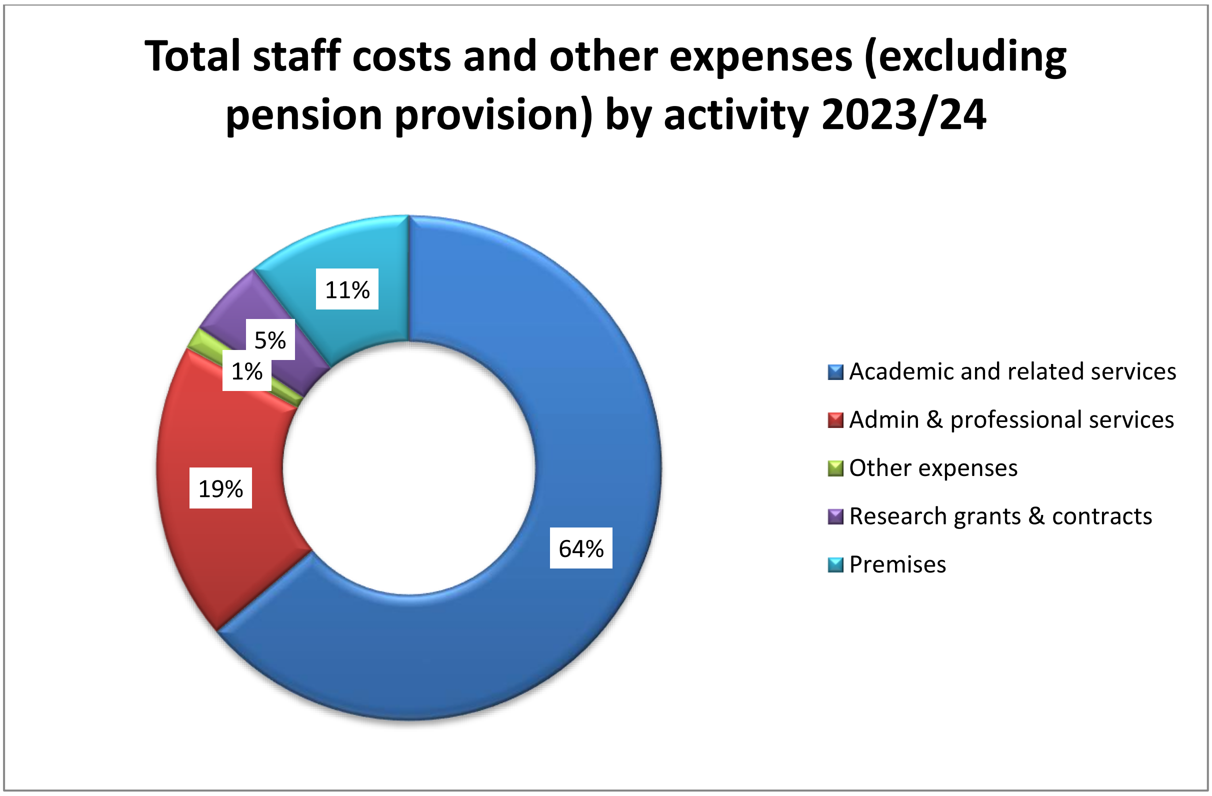


Chart 7: Analysis of expenditure 2023/24

STRATEGIC REVIEW (continued)

A significant proportion of our budget is focussed on academic and related services - 2023/24: 63.8% of total expenditure compared with 58.0% in 2018/19. Over the same time period administrative and professional costs have remained at the same level (now representing 19.1% of expenditure) and premises costs have been reduced by £3.3 million (a fall from 12.9% of total expenditure in 2018/19 to 10.6% in 2023/24). With falling income and increasing costs, particularly due to recent historic high levels of inflation, we have had no choice but to reduce our cost base. Despite this imperative, we have maintained a focus on resourcing academic and academic support areas.

The ratio of staff costs to total income (excluding movements in the pension provision and restructuring costs) is a helpful metric to review when considering financial sustainability. In general, restructuring costs should be included in this metric but are excluded from Table 5 allowing for better year-on-year comparison. The University does not own any student residences (which increase income without a corresponding material increase in staff costs) so this percentage remains one of the highest in the sector.

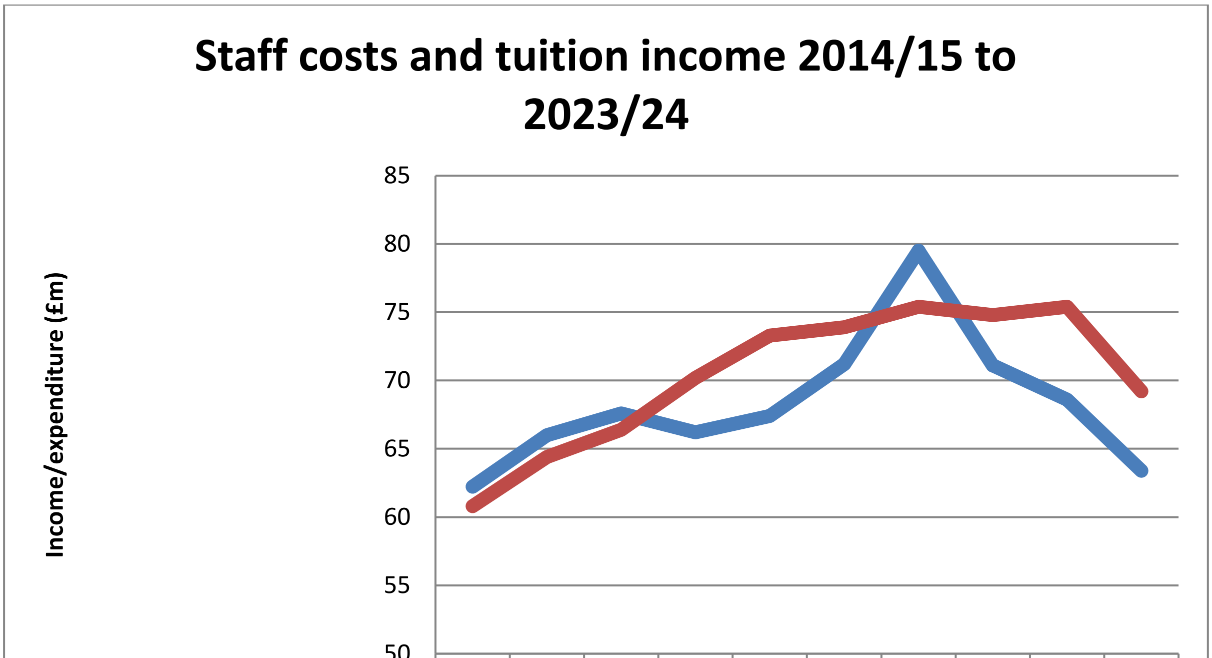
	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000
Gross salaries	73,313	73,942	75,403	74,626	75,397	69,209
Movement on pension provision	20,481	(14,884)	(62)	20,270	(9,460)	(29,712)
Restructuring costs	3,308	299	534	2,518	3,872	1,240
Total expenditure on salaries	**97,102**	**59,357**	**75,875**	**97,414**	**69,809**	**40,737**
Gross salaries (excluding movement on pension provision and restructuring costs) as a percentage of total income	69.5%	68.0%	64.0%	68.9%	68.4%	67.6%

Table 5: Change in underlying staff costs as a percentage of income 2018/19 to 2023/24

Tuition fees and education contracts provided 64.3% of total income in 2023/24 (the same as the previous year) whilst staff costs (excluding pension provision and restructuring) represent 67.6% of total income (2022/23: 68.4%). With Home undergraduate fees fixed by the UK government the annual increases in staff costs through promotions, incremental drift and pay award create a mismatch between the inflationary increase in income and the additional staff costs. The underlying pressure is currently exacerbated by historically high inflation increasing costs.

Until 2017/18, the trajectory of our main source of income was tracking the rise in staff costs and the University delivered regular surpluses. A post-Brexit referendum fall in students enrolling from the EU coupled with increasing pension costs switched this around as indicated in Chart 8 and directly led to the underlying deficit in 2018/19. We saw a significant switch back in 2020/21 due to the pandemic-influenced spike in tuition income and a surplus was delivered. Unfortunately, the fall in new student enrolments since coupled with high inflation has moved us into a position of worsening underlying deficit.

STRATEGIC REVIEW (continued)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tuition fees (actual/forecast)	62	66	68	66	67	71	80	71	69	63
Staff costs	61	64	66	70	73	74	75	75	75	69

Chart 8: Staff costs (excluding pension provision and restructuring) and tuition income 2014/15 to 2023/24

Chart 8 graphically illustrates the financial challenge the University faces: with a heavy reliance on tuition income, and an inability to increase the Home undergraduate fee above the cap set by the government, the University must increase student numbers each year to offset cost inflation. Following the recent falls in student numbers and income we had no choice but to make difficult choices and reduce our staff establishment. Taking a phased approach over two years, staff costs have been reduced by over £11.0 million through a combination of voluntary severance, early retirement and vacancy management (albeit that inflation and other increases have partly eroded the underlying saving).

Unlike a number of universities, we continue to apply the sector pay award in full when it is announced. We also remain committed to paying the London Living Wage from the first day of the month following the announcement of any increase.

The University Superannuation Scheme (USS) was revalued at 31 March 2020 with the effect that the scheme deficit increased. Employee benefits were reduced and a repayment plan was agreed in 2021/22. This deficit recovery plan increased our share of the pension liability by £20.3 million with a corresponding reduction to the comprehensive income for the year. The 2023 valuation, however, determined that the scheme was in a far stronger position with asset values exceeding the estimate for future liabilities. This change from a significant deficit to a surplus was primarily down to the impact of increased inflation rates on the way the scheme is valued. This improvement paved the way for significant reductions in contribution rates for both employers and employees and a reversal of the benefit changes introduced the previous year.

STRATEGIC REVIEW (continued)

As can be seen from Table 5, current rates are now at historic lows. The employer contribution rates over this period have included deficit recovery contributions which were levied to help reduce the size of the deficit over time. The most recent rate (payable from April 2022) was 6.2% of salaries. The move to a surplus of course no longer requires these contributions to be made but the employers agreed to reinvest some of the savings to fund additional stability measures which should limit volatility over the next few years.

Contribution rates	2011 - Mar 16	Apr 16 - Mar 19	Apr 19 - Sep 19	Oct 19 - Sep 21	Oct 21 - Mar 22	Apr 22 - Mar 24	Jan 24 To date
Members	6.5%	8.0%	8.8%	9.6%	9.8%	9.8%	6.1%
Employers	16.0%	18.0%	19.5%	21.1%	21.4%	21.6%	14.5%

Table 5: Key data for the Universities Superannuation Scheme (USS)

The fluctuating economic assumptions underpinning the annual assessment of the value of the scheme assets and future liabilities by USS has seen the University's share of the deficit undergo material changes over the last few years as seen in Table 6. The move to a scheme surplus means we no longer need to carry a liability against future costs in our Balance Sheet with a net reduction in costs in the 2024 Statement of Comprehensive Income & Expenditure of £29.0 million.

Liability (£ million)	2018	2019	2020	2021	2022	2023	2024
Birkbeck share of the pension liability at 31 July	11.1	31.8	16.8	16.9	37.3	29.0	-

Table 6: Key data for the Universities Superannuation Scheme (USS)

Governors have long been concerned about the risk the scheme places on the financial health of the University and the periodic uncertainty that the valuations introduce. They are also mindful of the fact that around 20% of eligible staff nationally have chosen not to be members of USS with many citing that the contribution rates are unaffordable. The number of members at Birkbeck rose by around 3.5% following the positive outcome of the 2023 valuation and we remain supportive of plans to develop alternate, flexible pension options for staff within USS.

Non-staff cost budgets were reduced in the autumn of 2023 when we realised that student income would not hit target and budget managers adapted and carefully monitored their spend plans identifying further savings throughout the year. Tight budgetary control allowed us to save around £1.7 million against the revised staff budget through careful management of vacancies. This approach provided both in-year and permanent savings whilst also recycling budget to priority areas. Similar non-staff savings of £1.5 million were achieved from delaying or reducing planned activities.

The provision for doubtful debts provides an assessment at the end of each year as to the proportion of student related debt which may be unlikely to be recovered. The provision increased by £1.0 million in 2022/23 almost certainly as a consequence of the challenge many of our students are facing as inflation and interest rates have risen significantly. Some countries such as Nigeria also saw material currency changes effectively increase the cost of their study abroad. Interestingly, applying the same methodology at 31 July 2024 estimated the provision to be £1.3 million lower at a level more akin to historic levels. This change resulted in a positive budget variance of £0.7 million.

Financial sustainability

Table 7 brings together some key pieces of financial data for the Group from the last four years.

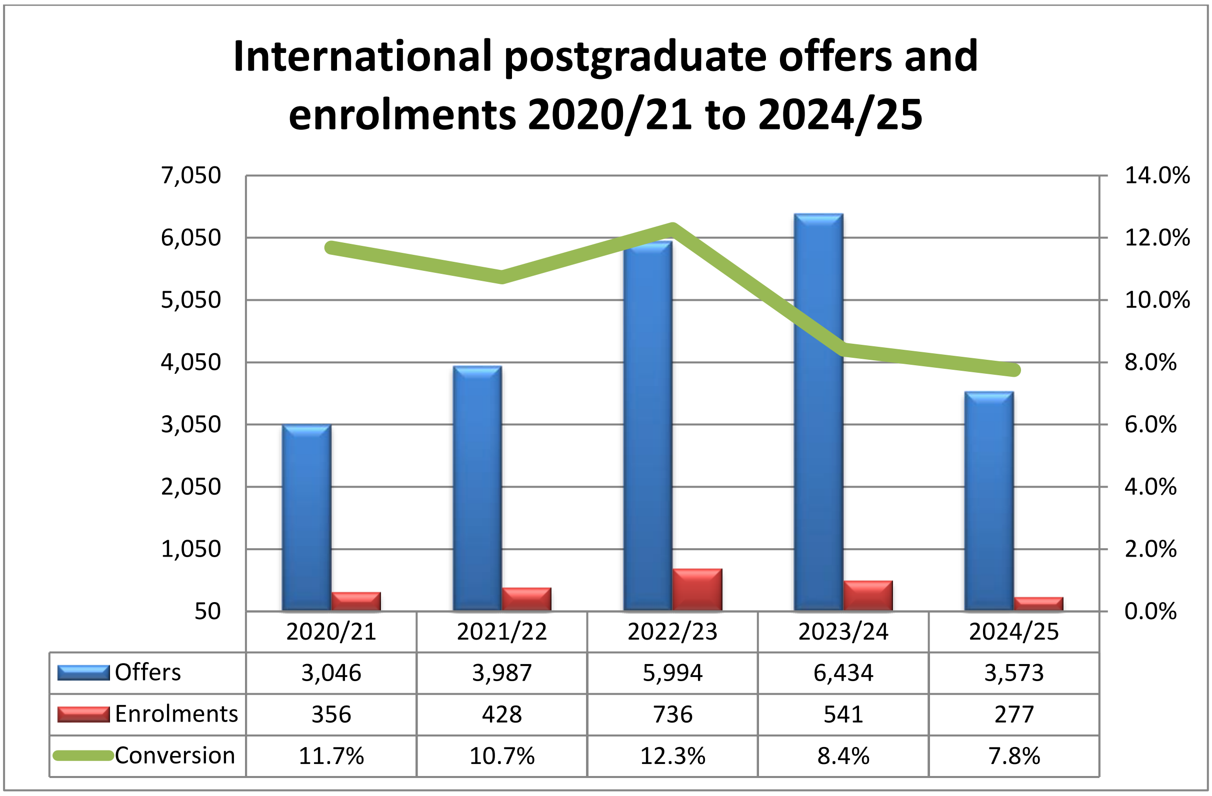
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Total income **A**	117,795	108,248	110,284	102,415
Total comprehensive income/(expenditure) for the year	18,005	(10,765)	1,886	24,798
Total comprehensive income/(expenditure) as a percentage of total income	15.3%	(9.9%)	1.7%	24.2%
Total expenditure	106,783	131,731	108,152	79,058
Adjust for restructuring costs*	(534)	(2,518)	(3,872)	(1,240)
Adjust for change in pension liability	62	(20,418)	8,226	29,044
Adjusted total expenditure **B**	106,311	108,795	112,506	106,862
Adjusted surplus/(deficit) before other gains and losses **A-B**	11,484	(547)	(2,222)	(4,447)
Adjusted surplus/(deficit) as a percentage of adjusted total income	9.7%	(0.5%)	(2.0%)	(4.3%)
Non-current assets	154,640	145,730	142,885	141,635
Cash plus current investments	14,205	32,543	30,013	25,475
Payments to acquire fixed assets	44,649	6,341	3,356	3,032
Net cash inflow/(outflow) from operating activities	10,894	6,037	(1,299)	(5,031)
Operating cash as a percentage of total income	9.2%	5.6%	(1.2%)	(4.9%)
Investments (long-term)	23,367	19,740	19,572	21,231
Cash plus current and long-term investments	37,572	52,283	49,585	46,706
Investments (long-term) as a percentage of cash plus total investments	62.2%	37.8%	39.5%	45.5%
Net liquidity days	50	111	98	91
Net pension liability	(16,852)	(37,270)	(29,044)	-
Total net assets	106,834	97,621	99,507	124,305

*Table 7: Key financial data for the University and its subsidiary** 2019/20 to 2023/24*

** Restructuring costs are excluded from total expenditure to allow for better year on year comparison*
*** Wholly owned subsidiary closed 2021/22*

STRATEGIC REVIEW (continued)

Total income has been impacted over recent years by Brexit and the Covid pandemic with international students also having to contend with adverse currency fluctuations and the removal of the student dependent visas. Despite a very strong start to the 2023/24 recruitment cycle with more offers being made to international students than ever before, confirmed acceptances fell away dramatically over the late summer period and the annual growth achieved in 2022/23 disappeared entirely. National and global circumstances have adversely affected international recruitment at all institutions again for 2024/25 and we have unfortunately been no exception. Although international undergraduate numbers remained stable due to higher conversion against lower numbers of applications our much larger number of postgraduates fell for the second year. Chart 9 highlights the changes over the last five years (2024/25 data correct at 26 October 2024).



	2020/21	2021/22	2022/23	2023/24	2024/25
Offers	3,046	3,987	5,994	6,434	3,573
Enrolments	356	428	736	541	277
Conversion	11.7%	10.7%	12.3%	8.4%	7.8%

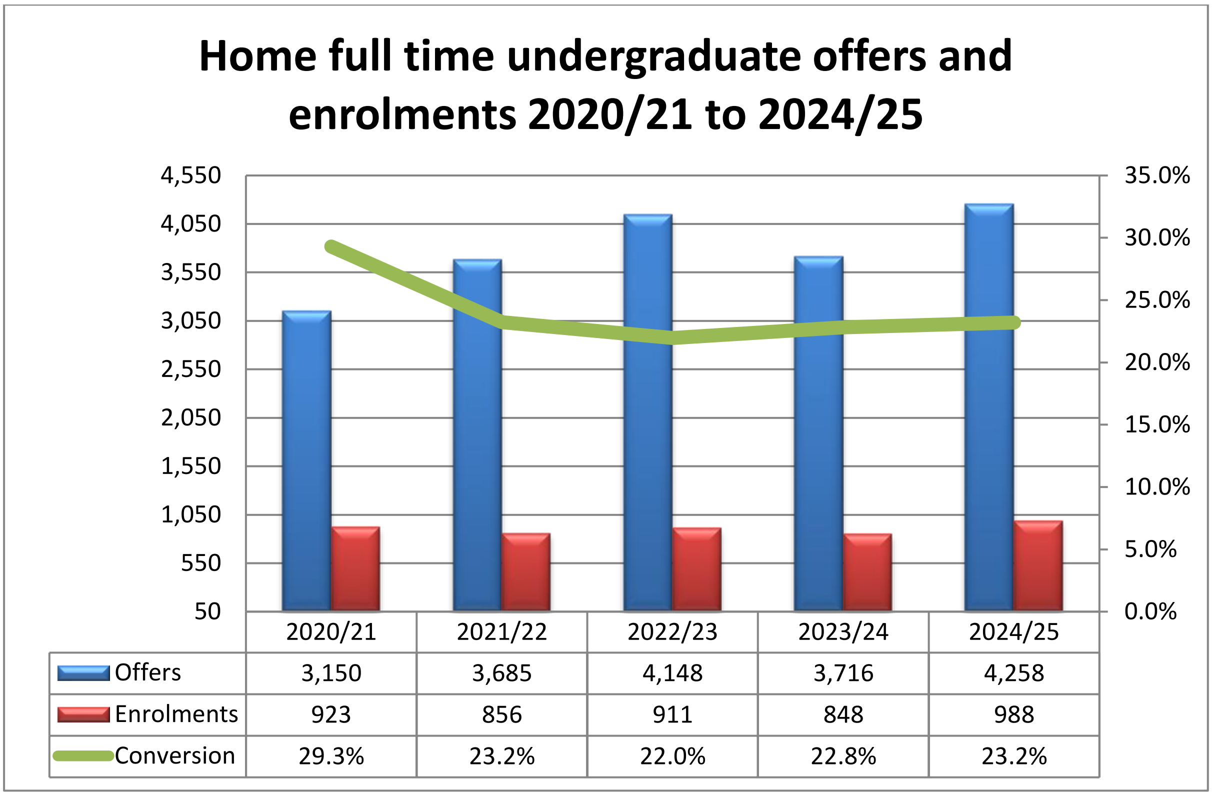
Chart 9: International postgraduate conversion 2021/22 to 2024/25

We still have an opportunity to recruit for a January 2025 start but this will only add around 60 additional students if we hit the same figure as January 2024 (which seems unlikely given the October 2024 reduction).

A change in UK government and restrictions on international student recruitment in markets such as Canada and Australia may make the UK a more attractive destination once again. We will be looking to increase our undergraduate cohort and recover postgraduate numbers in 2025/26 as we roll out our new flexible afternoon/evening offer of study.

The downturn in international recruitment has also impacted on the Home market as the more selective universities looked to offset the lost international income by recruiting more UK based students. Anecdotal feedback indicates that a number of universities have seen significant falls in undergraduate recruitment in 2024/25 but we achieved year on year growth. Our new Vice-Chancellor identified the importance of undergraduate conversion when she started in January 2024 and Chart 10 highlights the impact of changes in marketing, conversion and general processing effectiveness.

STRATEGIC REVIEW (continued)



	2020/21	2021/22	2022/23	2023/24	2024/25
Offers	3,150	3,685	4,148	3,716	4,258
Enrolments	923	856	911	848	988
Conversion	29.3%	23.2%	22.0%	22.8%	23.2%

Chart 10: Home undergraduate conversion 2021/22 to 2024/25 (data includes programmes with a foundation year)

Part-time undergraduate offers and enrolments also improved after many years of decline with enrolments increasing by 15.7% to 250 FTE in 2024/25. Home postgraduate offers and enrolments were broadly flat.

Each year, staff costs increase due to the national pay award, incremental drift and promotions. Whilst the fall in contributions to USS was welcome the fixed unit of resource from Home undergraduate students requires student number growth simply to meet the inflationary increase in staff costs. This challenge has increased due to the significant increase in employer National Insurance which will be introduced in 2025. Not only do we need to tightly control costs in the short term to manage the fall in student numbers but the challenge of managing rising costs with a fixed annual income is a cycle we must break.

Having already restructured our staff base income growth is now the priority. Our focus will be on growing Home undergraduate numbers and recovering international on campus coupled with the development of both UK and international partnerships. A number of changes will improve the success of our objectives:

- HyFlex teaching will allow time poor students with careers and other responsibilities the option of studying either remotely or on-site. This should improve both recruitment and retention;

- Flexible options across the afternoon and evening will allow students the choice of studying when and where (with HyFlex) it suits their needs. The opportunity to study in the afternoon rather than the evening may be particularly attractive to international students;

- A full recruitment cycle marketing both flexibility and HyFlex, coupled with improvements in processing and conversion, should increase both offer and enrolment levels; and

STRATEGIC REVIEW (continued)

- Using the considerable experience of our new Vice Chancellor to develop high quality partnerships, both home and overseas, will generate additional income over time.

Although we posted an underlying deficit once again, we are optimistic that we will be able to increase income over the next few years whilst also keeping costs down. We do not have any loans so are not pressured by financial covenants during a period of recovery. Our Balance Sheet has strengthened due to the removal of the pension liability to USS and we continue to invest in Estates projects to improve the student experience. Total cash plus investments fell by £2.9 million but remains at a relatively healthy balance of £46.7 million at the year end. The cash reserves provide a buffer which will allow us a period of time to turn the deficits around. Reversing the gap between tuition income and staff costs (around £6.0 million in 2023/24) remains the priority and income growth rather than further major restructures will return us to a break-even position. A review of downside scenarios (including a no growth scenario) indicates that the University remains a going concern.

Risk Management

An effective approach to risk management is seen by the University as an essential element of corporate governance. We provided a full compliance statement on internal control last year and will continue to do so.

The internal auditor undertook six reviews during 2023/24 in order to assist our Audit Committee in reaching an opinion on the adequacy and effectiveness of the institution’s arrangements for: risk management; control & governance; financial sustainability, quality of data; economy, efficiency & effectiveness (value for money). An assurance rating of “significant assurance with minor improvement opportunities” was concluded for each with no high importance recommendations being identified.

	Risk management	Control & governance	Financial sustainability	Quality of data	Value for money
Academic programme & third stream income development	✓	✓			
Devolved controls		✓			
Research costing and pricing		✓			✓
Payroll			✓		✓
OfS condition B3				✓	
Donations & fundraising					✓

STRATEGIC REVIEW (continued)

The University Risk Management Policy explains the underlying approach to risk management and documents the roles and responsibilities of the governing body, the Audit Committee, University management groups and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures. The University has reviewed its approach to risk management to strengthen risk ownership and to improve Birkbeck's ability to identify and assess significant risks and respond to them quickly and effectively. It has been making regular reports on this to Audit Committee.

The top-level Risk Register is compiled by senior management and overseen by a Risk Management Group comprising the principal risk owners. Each risk owner is responsible for a risk register for their risk area in which current and potential future risks are identified and evaluated together with the controls in place to mitigate them. Governance and oversight for each risk area is provided by the relevant University committee or management group. The risks are monitored by Audit Committee and Governors.

Risks are assessed and scored using gross and net likelihood and impact scores. Gross scores indicate the magnitude of the risk without successful controls, and net scores take into account the impact of management interventions. Risk scores are divided into low/green (below 9), medium/amber (9-12.5) and high/red (12.5+). The maximum risk score which can be achieved (highest impact and likelihood) is 25.

The top risks are reduced student income leading to a position where costs exceed income. The financial risk escalated due to lower student numbers in recent years coupled with inflation at an historic high level in 2023. The underlying risk factors plus the actions taken and to be taken to mitigate the risks have been discussed in this Strategic Review. Although the University is forecasting underlying financial deficits for the next few years as it looks to recover student numbers, we have modelled the impact of not achieving or partially achieving our plans. Downside stress testing indicates that we will remain solvent however liquidity will need to be managed closely. Monthly cash flow reports and management accounts are prepared and reviewed by management to help identify emerging risks at the earliest opportunity.

Our Estates and IT teams have developed detailed risk registers for their areas of responsibility which have been reviewed termly by the Strategic Estates & Infrastructure Committee and Digital Committee respectively. IT have worked on improving staff understanding of good password management whilst also enhancing the security and monitoring of software and infrastructure. Our Estates team is currently developing plans to ensure we meet our obligations under "Martyn's Law" recently approved by Parliament to increase preparedness for, and protection from, terrorist attacks at public venues. Cybersecurity is likely to remain a significant risk indefinitely due to the adaptability of those looking to breach security arrangements.

Recognising that organisational change and delivery of recovery plans are themselves a risk, in mitigation we increased the range and frequency of project and management oversight groups. The Vice-Chancellor now chairs fortnightly meetings of the University Executive Board (UEB) which includes the DVCs, PVCs, Executive Deans and key Professional Service Directors. The Vice Chancellor also holds weekly, informal, meetings of her senior leadership team. Following the academic restructure that was effective from 1 August 2023, the Vice Chancellor also chairs a termly meeting of a wider group of senior managers which includes all members of UEB plus Heads of School, Faculty Heads of Teaching and Research and professional services Directors who do not attend UEB. These meetings aim to ensure that priority recovery initiatives as well as general compliance and business activity progress as expected. A range of sub-committees support the work of the University including identification and mitigation of risks.

Public Benefit Statement

The University Charter updated 25 May 2023 states:

"The objects of Birkbeck shall be to promote for the public benefit and to provide for persons who are engaged in earning their livelihood during the daytime and other persons, education, instruction and means for research and such facilities as may be deemed appropriate, in subjects determined by the Governors, advised by the Academic Board."

As an exempt charity within the meaning of the Charities Act 2006 (updated 2011), we are required to demonstrate how our activities are of benefit to the public. The Governing Body has regard to the Charity Commission's guidance on public benefit and meets these requirements in the following manner.

The advancement of education

The Charities Act 2006 (updated 2011) determines that for education to be a charitable aim for the public benefit it "must be capable of being 'advanced'. This means to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise." It goes on to note that education includes "formal education, training (including vocational training) and life-long learning, research and adding to collective knowledge and understanding of specific areas of study and expertise [and] the development of individual capabilities, competences, skills and understanding".

The Charter and mission statement align with this charitable purpose which underpins everything we do.

In addition to our contribution to the advancement of education from teaching, our success in driving forward research directly contributes to a number of the public benefit criteria outlined in the Charities Act. The following table summarises our research income over the last four years:

	2020/21	2021/22	2022/23	2023/24
Recurrent research grant from Research England (£m)	11.5	11.3	12.5	11.1
Research grants & contracts (£m)	8.3	9.3	9.5	7.8
Total research Income as a percentage of total income	16.8%	19.0%	20.0%	18.5%

Table 8: Research income trends

Income from research grants and contracts is released in line with progress on the projects. A new Deputy Vice Chancellor for Research, Knowledge Exchange & Innovation will be appointed in 2024/25 to implement plans to take us forward to REF 2029. In addition to maintaining our REF standing for breadth of quality across the institution the new role holder will focus on increasing both the income generated from external research grants and the contribution towards overheads.

STRATEGIC REVIEW (continued)

Whilst our core mission underpins the advancement of education this in turn can have a profound impact on wider public benefits.

The Act notes that "in current social and economic circumstances, poverty includes many disadvantages and difficulties arising from, or which cause, the lack of financial or material resources … [and] can both create, and be created by, adverse social conditions, such as poor health and nutrition, and low achievement in education and other areas of human development." It goes on to state that "the [Charity] commission recognises that many charities that are concerned with preventing or relieving poverty will do so by addressing both the causes (prevention) and the consequences (relief) of poverty." This section explains how our mission contributes to the prevention or relief of poverty through the provision of education. It also describes our more widespread support for students with a diverse range of characteristics.

The University predominantly delivers teaching in the evening, retaining our historic mission to educate working Londoners. We are proud to be a university that opens its doors to people who may otherwise not be able to study. We have maintained our commitment to enabling access for mature students, whilst also diversifying and increasing the number of younger students, through our full-time undergraduate evening degrees. We continue to be a widening access institution and a significant voice for the high proportion of our students coming from under-represented groups. We introduced a foundation year in 2017/18 to provide non-traditional students without strong A level grades a route into our undergraduate programmes with numbers steadily increasing to 981 FTE in 2023/24 (2022/23: 985 FTE) (see Chart 6). During 2023/24 42% of our students are from ethnic minority backgrounds (2022:23: 41%), 43% male (2022/23: 42%), 25% declaring a disability (2022/23: 25%) and 62% over the age of 25 (2022/23: 64%). We are proud to offer an opportunity to groups of students which may be denied to them elsewhere and remain committed to driving this agenda in the higher education sector.

Our student body has a high proportion of part-time and mature students. Many of our students have non-traditional qualifications and high proportions of students have low income, are from ethnic minorities or have a disability. The vast majority of students live and work in London. 97% of our part-time students (2022/23: 97%) and 70% of full-time students (2022/23: 73%) are over 21. We provide an opportunity for students who wish to combine evening university teaching with daytime work and, therefore, offer opportunities for students who otherwise would not be able to study. Over recent years we have seen a steady increase in the number of full-time undergraduates aged 21 or under choosing to study at the University suggesting the ability to mix education and work is increasingly attractive to younger students.

The opportunity for non-traditional students with careers and other responsibilities is being enhanced through both the introduction of HyFlex teaching and teaching in the afternoon. In future, students will be able to study in a mode and at a time that suits their needs recognising that changes in working patterns post-Covid have been significant. The flexibility to study when and where is convenient for the student (rather than our staff) may also open opportunity based on student location given the fact that students will no longer be required to attend all their lectures on site in Bloomsbury.

In recent years, higher tuition fees, the absence of maintenance loans, and debt aversion have resulted in lower recruitment onto our part-time programmes. We are pleased to see that government policy is re-focussing on lifelong learning and increasing the range of study modes for mature students, including part-time study. Our own strategic shift to more flexible delivery also appears to have improved part-time recruitment in 2024/25 after many years of decline. Despite the challenges faced by the part-time sector our outcomes regarding access to higher education continue to be strong and demonstrate an institution-wide commitment to working with non-traditional students. We plan to continue with our current approach on access.

STRATEGIC REVIEW (continued)

Many of our students work during the day and have families. These critical life factors inevitably challenge our students and this is reflected in our continuation rates. Through the pandemic, the move to on-line was welcomed as it enabled our students to study when time allowed. To ensure that working students with other life priorities can continue to engage with higher education and succeed moving all our programmes towards HyFlex delivery will not only provide increased opportunity but also improve retention and outcomes. This change in pedagogy will be facilitated by upgrades to the AV and IT of all classrooms across our estate. This £8.0 million project is supported by £3.0 million of capital funding from the Office for Students.

Detailed information on the ways that we provide support to our students can be found in the University Access and Participation Plan. Further details are provided in Note 9 to the Financial Statements.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

This Statement of Corporate Governance and Internal Control relates to the financial year ending 31 July 2024 and the period leading up to the approval of the financial statements on 11 December 2024.

Birkbeck is a chartered university and a College of the University of London. Its legal status derives from a Royal Charter originally granted in 1926, with the most recent version confirming university status granted in May 2023. It is an educational charity with exempt status, regulated by the Office for Students. Birkbeck has charitable purposes and applies them for the public benefit. Its objectives, powers and governance framework are set out in its Charter and Statutes and Standing Orders.

The University has a public interest duty to conduct its affairs in a transparent and responsible way, in accordance with the Nolan principles, to meet the regulatory requirements of relevant statutory bodies. Birkbeck complies with the Higher Education Code of Governance published by the Committee for University Chairs (CUC).

In accordance with the Charter and Statutes, the governing body is responsible for exercising the powers of the University. The Governing Body ("Governors") has oversight of the University's affairs and is responsible for ensuring effective operation, management and internal control. Governors review this statement of corporate governance and internal control arrangements annually and it is published as part of the Financial Statements.

Leadership

The Vice-Chancellor is the University's Chief Executive and principal academic officer. The Vice-Chancellor is also the Accountable Officer for the purposes of the Higher Education and Research Act 2017.

Governors appointed Professor Sally Wheeler as Vice-Chancellor of Birkbeck in August 2023 and she took up the post in January 2024.

The Governing Body has delegated authority to the Vice-Chancellor for the academic, corporate, strategic and financial management of the University. The Vice-Chancellor is a member of the governing body and chair of the Academic Board. The Vice-Chancellor also chairs the University Executive Board.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Governance

Governing body

The Governing Body of the University, known as Governors, is also its board of charitable trustees, and is responsible for the strategic development and overall achievement of Birkbeck's mission and purposes and for all areas of its operation. It comprises independent members, students, alumni and employees appointed under the Statutes of the College, the majority of whom are non-executive. The Vice-Chancellor and designated Deputy Vice-Chancellor are Governors ex officio. Students, staff and alumni are elected. There is a majority of independent members appointed by the Nominations Committee, which includes the Chair and Deputy Chair of the Governing Body.

Governors provide a register of interests and a declaration that they are fit and proper persons.

The Clerk to the Governors is appointed by, and responsible to, the Governors for the operation and conduct of Birkbeck's governance structures, ensuring effective processes are in place to provide assurance and to ensure compliance with the Charter and Statutes and external regulatory and legal requirements.

The powers and functions of the Governors are set out in the Charter and Statutes. The matters specially reserved to the Governors for decision are set out in the Charter and Statutes and the Governors' Statement of Primary Responsibilities. They include:

- approval and monitoring of major strategic initiatives;
- approval of the annual budget, financial forecasts and the annual audited accounts;
- compliance with the Office for Students' ongoing conditions of registration and terms and conditions of funding;
- confirming assurance of regularity and propriety in the use of public funding;
- appointment of the Vice-Chancellor, Clerk to the Governors, independent governors, internal and external auditors; and
- review of governing body effectiveness.

Powers delegated by Governors to other bodies and individuals are also defined in the Governors' Statement of Primary Responsibilities.

Governors' committees

The Governors' committees, including Finance & General Purposes Committee, Audit Committee, Nominations Committee, Strategic Estates & Infrastructure Committee and Digital Committee, have Governor members, make formal reports to Governors and have terms of reference approved by Governors.

Finance & General Purposes Committee

The Finance & General Purposes Committee (F&GPC) is responsible for advising Governors on all matters relating to the finances of the University. It reviews and recommends to the Governors the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It reviews and recommends to Governors the financial regulations and financial policies that are applied to management. It reviews the annual financial statements and considers financial strategy.

F&GPC has established an Investment Committee to be responsible for the University's investments on behalf of F&GPC.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Audit Committee

The Audit Committee is constituted in line with guidance issued by the Committee of University Chairs and comprises wholly independent members. Senior University executives attend meetings but are not members. The External and Internal Auditors have independent access to the Audit Committee, and vice versa.

The remit of the Audit Committee includes:

- making recommendations to the governing body on the appointment of the External and Internal Auditors;
- meeting with the External Auditors to discuss their audit findings, and reviewing and approving the audit aspects of the annual financial statements, providing Governors with its own opinions based on the information available to it;
- approving and keeping under review the annual internal audit plan;
- considering internal audit reports and their recommendations for improvement of the University's systems of internal control, reviewing management responses to internal audit reports and monitoring implementation of their recommendations;
- satisfying itself and assuring the Governors that satisfactory arrangements are in place to promote economy, efficiency and effectiveness thereby securing value for money; and
- assessing compliance with external funding and regulatory bodies.

The Audit Committee's role in relation to risk oversight and assurance is set out below.

Nominations Committee

The Nominations Committee considers nominations for independent governor vacancies and the membership of the Governors' committees. Recommendations to the Governors take into account the balance of skills, knowledge and experience of members and are based on assessment against objective criteria. Nominations Committee also considers issues of succession planning and diversity within the governing body and confirms the appointment of the Chair and Deputy Chair of Governors annually. This year, Nominations Committee also considered and recommended to Governors a proposal to establish a Selection Committee for the new Vice-Chancellor

Strategic Estates and Infrastructure Committee

The Strategic Estates and Infrastructure Committee (SEIC) is responsible for overseeing and advising Governors on the development and ongoing review of the University's estates and infrastructure strategy, in the context of the University's overall plan and strategic objectives. It advises Governors, in conjunction with F&GPC, on the University's property portfolio and the acquisition and disposal of property and leases; and on proposals for, and subsequent monitoring of, major and University-level estates, infrastructure and equipment projects. SEIC reports to Governors, but for business with budget or financial strategy implications, it does so via F&GPC.

Digital Committee

The Digital Committee is responsible for overseeing and advising Governors on digital strategy and IT infrastructure. It is chaired by an independent Governor and its membership comprises independent governors, academic governors, an external co-opted adviser, plus a nominee from the Students Union. During 2023/24 the committee reported to F&GPC but from 1 August 2024 reports directly to Governors. For business with budget or financial strategy implications recommendations are passed via F&GPC.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Remuneration Committee

Remuneration Committee develops and has oversight of an overall framework to cover the remuneration, benefits and conditions of employment of the staff of the University. It considers the remuneration, benefits and conditions of employment of the University's senior team and the remuneration, benefits and conditions of employment of other members of staff with senior management roles on salaries of more than £100,000 (full time equivalent), making an annual report to Governors. The Committee's terms of reference are compliant with the CUC's Remuneration Code. The Committee's membership is wholly independent and does not include any University staff.

University Executive Board

University Executive Board (UEB) is chaired by the Vice-Chancellor and consists of officers of the University with strategic management responsibility. It is responsible for the effective and successful management and operation of Birkbeck and for advising Governors on University-wide strategic issues and priorities. It oversees the annual planning and budgeting process and proposes the annual budget to Finance & General Purposes Committee. The HR Strategy and Policy Committee, Equality and Diversity Committee, Health and Safety Committee, Student Recruitment Committee, Ethics Committee and Risk Management Group all report to UEB.

Academic Board and Academic Board Executive Committee

Under the Statutes, Governors have oversight and responsibility for all the activities of the University but must consider the advice of the Academic Board on all academic matters. Academic Board is responsible to the governing body for the academic work of the University and reports termly on the business it has considered. The Academic Board is chaired by the Vice-Chancellor and has a membership of more than 200 drawn from academic and Library staff and the students of the College. To increase the effectiveness of its decision making, it has established the Academic Board Executive Committee (ABExCo) as its steering committee. ABExCo is also chaired by the Vice-Chancellor and its members include the Deputy and Pro Vice-Chancellors, the Executive Deans of the Faculties and the academic staff and student governors, all of whom are also members of the full Academic Board.

The membership of the above committees during the year is shown on pages 5-8.

Statement of internal control

The governing body is responsible for maintaining a sound system of internal control that supports the achievement of Birkbeck's strategies, policies, aims and objectives whilst safeguarding the public and external funds for which it is responsible. It undertakes these obligations in accordance with the responsibilities assigned to the governing body in the University Charter and Statutes and the public interest governance principles set out in the regulatory framework for Higher Education in England.

The system of internal control includes arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities. It is designed to manage rather than eliminate the risk of failure to fulfil strategies, policies, aims and objectives and safeguard public funds, and can provide only reasonable and not absolute assurance of effectiveness.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

The system of internal control is based on an ongoing process designed to identify the principal risks, evaluate the nature and extent of those risks and manage them efficiently, effectively and economically. The process is regularly reviewed by Governors and accords with the principles in the Committee of University Chairs' HE Code of Governance.

Birkbeck manages risks through a Risk Register, reviewed by the Risk Management Group, UEB and the Audit Committee reporting to Governors. The University's Risk Management Policy is reviewed annually by the Risk Management Group and Audit Committee reporting to Governors.

The following processes have been established:

- the performance and strategic direction of Birkbeck is reviewed annually by UEB and the Governors;
- Governors agree and annually review Key Performance Indicators linked to strategic objectives and risks;
- Governors receive termly and annual reports from the Audit Committee concerning internal control and risk management;
- Audit Committee receives regular reports from the Internal Auditor, which include an independent opinion on the adequacy and effectiveness of Birkbeck's system of internal control, together with recommendations for improvement. Audit Committee may also request additional reports to gain assurance from other parties on areas of concern;
- a risk prioritisation methodology based on assessment of likelihood and impact has been established. The Risk Register covers corporate level risks, including ability to fulfil Birkbeck's aims and objectives and ability to continue to comply with its conditions of registration with the Office for Students;
- Audit Committee receives regular reports from University management on action taken to mitigate the risks and the impact of that action and on changes to the risk profile including new risks;
- Ethics Committee provides assurance on ethical matters related to research activities;
- there are comprehensive Financial Regulations, detailing financial controls and procedures, approved by Governors on the advice of the Audit Committee and Finance & General Purposes Committee;
- the governing body has compared Birkbeck's governance system with the CUC's HE Code of Governance and concluded that the University is compliant with the principles of the Code. Governors have asked Audit Committee to keep under review processes and practices in line with the provisions of the Code;
- Governors commissioned an independent review of effectiveness in 2021. The review report confirmed that the governing body is effective and compliant with OfS and CUC expectations;

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

- the diversity of the governing body has increased following the appointment of new independent governors through an open call for expressions of interest. The Review of Governance Effectiveness asked Governors to consider the definition and meaning of Equality, Diversity and Inclusion for Birkbeck. An Equality Diversity and Inclusion Committee with a refreshed remit has been set up with UEB as its parent committee;

- institution level collaborations are overseen by the Collaborations Approval Panel;

- Governors review annually their Statement of Primary Responsibilities which covers responsibilities reserved to Governors and responsibilities delegated to committees or to the Vice-Chancellor.

There have been no significant internal control weaknesses or failures during this reporting period. This statement is based on the information provided to Governors in the regular reports on internal audit and risk management.

Governors have appointed a professional independent Internal Audit Service whose annual programme is approved by the Audit Committee. The internal audit function provides, by undertaking review, independent objective assurance to the governing body, through the Audit Committee, on the effectiveness of the risk management framework and the design and effectiveness of the operation of internal controls that are intended to control critical business application risks. Internal audit also helps the University accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes and, by working with management, adding value through advice and guidance.

The internal audit work programme is drawn down from a risk-focused audit plan, which remains dynamic and is updated regularly to reflect changes in the University’s risk profile. Internal audit monitors the progress made by operational units in implementing recommendations to ensure that they are addressed in a timely and effective manner, and reports progress regularly to the Audit Committee.

Governors have appointed a professional external audit service to assess and report on whether:

- the financial statements of the University give a true and fair picture of the state of its affairs and of its income and expenditure, gains and losses and cash flows for the financial year;
- the financial statements have been prepared in accordance with relevant accounting standards including the Office for Students’ Accounts Direction;
- external grants and income for specific purposes have been properly applied to those purposes and managed appropriately; and
- income has been applied in accordance with the Terms and Conditions from both the Office for Students and Research England.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BIRKBECK, UNIVERSITY OF LONDON

Opinion on the financial statements

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, changes in reserves and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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

Basis for opinion

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

Independence

We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Board of Governors is responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BIRKBECK, UNIVERSITY OF LONDON (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

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

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

- The University's grant and fee income, as disclosed in notes 1-3 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 9a to the accounts, has been materially misstated.

Responsibilities of Governors

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

In preparing the financial statements, the Board of Governors are responsible for 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 the Governors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BIRKBECK, UNIVERSITY OF LONDON (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- our understanding of the University and the sector in which it operates;
- discussion with management and those charged with governance, including the Audit Committee;
- obtaining and understanding of the University's policies and procedures regarding compliance with laws and regulations;
- direct representation from the Accountable Officer; and
- our risk assessment

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

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

Our procedures in respect of the above included:

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

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BIRKBECK, UNIVERSITY OF LONDON (continued)

Fraud

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

- enquiry with management and those charged with governance, the Audit Committee and internal audit regarding any known or suspected instances of fraud;
- obtaining an understanding of the University's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- performing substantive procedures over management override and the completeness of research and other income; and
  considering performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journals to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including going concern assumptions; assumptions applied in calculation of pension scheme liabilities; bad debt provision; impairment of tangible and intangible assets; useful economic lives of tangible fixed assets.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF BIRKBECK, UNIVERSITY OF LONDON (continued)

Use of our report

This report is made solely to the Board of Governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

James Aston MBE (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

Date:

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

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

	Notes	Year ended 31 July 2024	Year ended 31 July 2023
		£'000	£'000
Income			
Tuition fees and education contracts	1	65,891	70,920
Funding body grants	2	15,212	16,740
Research grants and contracts	3	7,766	9,474
Other income	4	9,105	9,627
Investment income	5	1,736	1,231
Total income before donations and endowments		99,710	107,992
Donations and endowments	6	2,705	2,292
Total income		102,415	110,284
Expenditure			
Staff costs - annual remuneration	7	69,209	75,397
Staff costs - restructuring	7	1,240	3,872
Staff costs - decrease in pension liability	7	(29,712)	(9,460)
Total staff costs		40,737	69,809
Other operating expenses		31,604	31,126
Depreciation & amortisation	10, 11	6,034	5,967
Interest and other finance costs	8	683	1,250
Total expenditure	9	79,058	108,152
Surplus before other gains and losses		23,357	2,132
Gain on disposal of tangible fixed assets	11	10	6
Gain/ (loss) on investments	13	1,431	(252)
Surplus before tax		24,798	1,886
Total comprehensive income for the year		24,798	1,886
Represented by:			
Endowment comprehensive expenditure for the year		(1,061)	(803)
Restricted comprehensive (expenditure)/ income for the year		(284)	20
Unrestricted comprehensive income for the year		25,253	2,820
Revaluation reserve comprehensive income/ (expenditure) for the year		890	(151)
		24,798	1,886

All items of income and expenditure relate to continuing activities.

The notes and policies on pages 53 to 85 form part of these financial statements.

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

	Income and expenditure account				
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	10,230	859	80,171	6,361	97,621
Surplus from the income and expenditure statement	535	35	1,467	(151)	1,886
Release of restricted funds spent during the year	(1,338)	(15)	1,353	-	-
Total comprehensive income for the year	(803)	20	2,820	(151)	1,886
Balance at 31 July 2023	9,427	879	82,991	6,210	99,507
Surplus from the income and expenditure statement	(119)	38	23,989	890	24,798
Release of restricted funds spent during the year	(942)	(322)	1,264	-	-
Total comprehensive income for the year	(1,061)	(284)	25,253	890	24,798
Balance at 31 July 2024	8,366	595	108,244	7,100	124,305

The notes and policies on pages 53 to 85 form part of these financial statements.

Statement of Financial Position
for the year ended 31 July 2024

		As at 31 July 2024 £'000	As at 31 July 2023 £'000
Non-current assets			
Intangible assets	10	516	908
Fixed assets	11	119,679	122,200
Heritage assets	12	209	205
Investments	13	21,231	19,572
		141,635	142,885
Current assets			
Stock	14	30	27
Trade and other receivables	15	15,586	17,979
Cash and cash equivalents	21	25,475	30,013
		41,091	48,019
Creditors: amounts falling due within one year	16	(30,131)	(31,968)
Net current assets		10,959	16,051
Total assets less current liabilities		152,595	158,936
Creditors: amounts falling due after one year	17	(27,164)	(26,878)
Provisions			
Pension provision	18	-	(29,044)
Other provisions	18	(1,126)	(3,507)
Total net assets		124,305	99,507
Restricted reserves			
Income and expenditure reserve - endowments	19	8,366	9,427
Income and expenditure reserve - restricted	20	595	879
Unrestricted reserves			
Income and expenditure reserve - unrestricted		108,244	82,991
Revaluation reserve		7,100	6,210
Total reserves		124,305	99,507

The financial statements were approved by Governors on 11 December 2024 and were signed on its behalf by:

Sir Andrew Cahn	Professor Sally Wheeler	Mr Keith Willett
Chair of Governors	Vice Chancellor	Chief Financial Officer

The notes and policies on pages 53 to 85 form part of these financial statements.

Statement of Cash Flows
for the year ended 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flow from operating activities			
Surplus for the year		24,798	1,886
Adjustment for non-cash items			
Depreciation and amortisation	10, 11	6,034	5,967
(Gain)/ loss on investments	13	(1,431)	252
(Increase)/ decrease in stock	14	(3)	14
Decrease/ (increase) in debtors	15	2,394	(2,380)
(Decrease)/ increase in creditors	16	(2,289)	1,080
Decrease in pension provision	18	(29,044)	(8,226)
(Decrease)/ increase in other provisions	18	(2,382)	2,271
Adjustment for investing or financing activities			
Investment income	5	(1,502)	(1,017)
Interest payable	8	-	16
Endowment payments	6	(244)	751
Gain on the sale of tangible fixed assets		(10)	(6)
Capital grant income		(1,352)	(1,900)
Donated heritage asset		-	(7)
Net cash outflow from operating activities		(5,031)	(1,299)
Cash flows from investing activities			
Proceeds from sale of fixed assets		10	6
Capital grant receipts		2,000	1,954
Investment income		1,502	1,017
Payments made to acquire fixed assets		(3,032)	(3,356)
New non-current asset investments		(231)	(138)
Non-current asset investment disposals		-	54
		249	(463)
Cash flows from financing activities			
New endowments		1,186	586
Endowment payments		(942)	(1,338)
Interest paid		-	(16)
		244	(768)
Decrease in cash and cash equivalents in the year		(4,538)	(2,530)
Cash and cash equivalents at beginning of the year	21	30,013	32,543
Cash and cash equivalents at end of the year	21	25,475	30,013

The notes and policies on pages 53 to 85 form part of these financial statements.

Statement of Accounting Policies
for the year ended 31 July 2024

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS) 102: The financial reporting standard applicable in the UK and Republic of Ireland. The University is a public benefit entity and, therefore, has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments).

The University's activities, together with the factors likely to affect future development, performance and position are set out in the Financial Sustainability section of the Strategic Review.

Going Concern

The impact of lower student income following Brexit, increased competition across London and external factors impacting international recruitment, together with historic high rates of inflation, have significantly impacted our financial position. Annual increases in staff costs (due to promotions, inflationary increases and increment advancement) exceed the inflationary increase in our main source of income, primarily due to the fee cap set by the government on undergraduate tuition fees. Not only have we seen surpluses of 5% of income eroded but we now need to implement a recovery plan to move from a period of actual and forecast deficits back into a sustainable financial position.

In order to overcome the difficult challenges we faced both prior to the pandemic and in the years since, we developed a recovery strategy focussed initially on delivering staff cost savings followed by increased income, primarily from regaining student numbers. The strategy aimed to improve financial sustainability whilst also ensuring we could maintain research intensity, market position and teaching competitiveness. Repositioning required a fundamental revision of our underlying operational and teaching delivery models. To ensure that we could create clarity and flexibility in our student offer and support student success we needed a greater degree of standardisation in our mode of teaching delivery.

With support of Governors we implemented a new academic structure at the start of the 2023/24 academic year supported by a reshaped range of professional support services. This restructure delivered nearly £12 million of staff savings, a slimmer management structure which will allow us to take decisions in a more agile manner and improved operational processes. Reducing our staff costs quickly provided financial headroom to allow us to focus on delivering income recovery plans over the next few years.

Although we had aspirations to increase tuition income in 2024/25 external factors severely impacted international student recruitment to the UK and we saw our home postgraduate numbers fall. Improved conversion activity from offer to enrolment saw year on year growth in both full time and part time undergraduate recruitment from both the UK and overseas. This outcome has not been achieved across the sector and is a positive base on which we can build for the future.

We are introducing new programmes at both undergraduate and postgraduate level over the coming years whilst also simplifying and refreshing existing portfolio. With the support of a £3m grant from the Office for Students we are upgrading all of our classrooms to provide students with the option of attending in person or on-line with no reduction in the ability of the student to engage (our HyFlex mode). Building on a successful pilot by our School of Law we are also developing proposals across subject areas which will allow students the choice of afternoon or evening study and in many cases a mix of both. The increased flexibility offered by the introduction of afternoon teaching and HyFlex should be attractive to commuter students in London and the South East who are interested in study whilst working or caring.

Statement of Accounting Policies (continued)
for the year ended 31 July 2024

1. Basis of preparation

Going Concern (continued)

Our approved Estates Strategy determined that having purchased the building adjacent to our main campus site we are in a position to dispose of estate assets that are less suited to our future needs. The disposal of outlying, historic buildings will both secure a capital receipt whilst also supporting our strategy to provide improved learning and teaching facilities for our staff and students focussed on our main campus around Torrington Square.

Financial modelling has been undertaken based on varying assumptions of tuition income and effective management of costs, including stress testing. Although the base-case scenario predicts underlying deficits for the next few years as we build new programmes and deliver education via new, flexible modes of delivery the forecasts indicate that sufficient, albeit reducing cash reserves will be maintained. Even under a downside scenario where no income recovery is possible in 2025/26 we remain solvent and have sufficient time to undertake further mitigating actions. Governors have reviewed the financial forecasts, the assumptions which underpin them, our short and medium term recovery strategy and the risks we face. They have concluded that despite the challenges resulting from the drop in student numbers there is a reasonable expectation that the University will retain adequate resources to continue in operation. As a consequence, we continue to adopt the going concern basis of accounting in preparing these annual financial statements.

2. Basis of consolidation

The financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

3. Income recognition

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

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

Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

Grant funding

Government revenue grants, including OfS teaching and UKRI research and research grants, are recognised as income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants, including research grants, from non-government sources, are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors and released to income as the conditions are met.

Statement of Accounting Policies (continued)
for the year ended 31 July 2024

3. Income recognition (continued)

Donations and endowments

Non-exchange transactions without performance related conditions are treated as donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within restricted reserves until it is utilised in line with such restrictions at which point the income is released to general reserves.

Donations with no restrictions are recognised as income when the University is entitled to the funds.

Investment income from endowments and appreciation of endowment funds are recorded as income during the year in which the growth arises and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

There are three main types of donations and endowments identified within reserves:

a) restricted donations - the donor has specified that the donation must be used for a particular objective;

b) unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University; and

c) restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

Government capital grants are recognised as income over the expected useful life of the asset the funds were used to purchase/ construct. Other capital grants are recognised as income when the University has satisfied any performance related conditions associated with the grant.

4. Accounting for retirement benefits

University staff are members of two principal pension schemes - the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). The schemes are primarily defined benefit schemes which are externally managed. Each fund is valued every three years by professionally qualified independent actuaries.

Both schemes are multi-employer schemes for which it is not possible to identify the assets and liabilities of the University due to the mutual nature of the schemes. The schemes are accounted for as a defined contribution retirement benefit schemes.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the schemes.

Defined contribution plan

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

Statement of Accounting Policies (continued)
for the year ended 31 July 2024

4. Accounting for retirement benefits (continued)

Defined benefit plan (continued)

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the university is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

5. Employment benefits

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

6. Finance leases

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest of the remaining balance of the liability.

7. Service concession arrangements

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

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

8. Operating leases

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

9. Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income for the year.

Statement of Accounting Policies (continued)
for the year ended 31 July 2024

10. **Fixed assets**

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Borrowing costs directly attributable to the acquisition, construction or production of a building are capitalised.

Land and buildings

Land and buildings are stated at cost (deemed cost). Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line.

The useful lives of land and buildings are assessed on a building by building basis and the cost is depreciated as follows:

Buildings: 40 to 100 years

Refurbishments: 5 to 20 years

Plant and machinery: 10 to 30 years

Leasehold land: the life of the lease

Assets in the course of construction: no depreciation is charged until the asset is brought into use

Equipment

Equipment costing less than £10,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life. Indicative useful lives are as follows:
- Computer hardware: 3 years
- Equipment acquired for specific research projects is depreciated over the life of the project
- Other equipment: 3 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

11. **Heritage assets**

Works of art and other valuable artefacts are capitalised and recognised at the cost or value of the acquisition where such a cost or valuation is reasonably obtainable. They are subsequently held at carrying value. Heritage assets are not depreciated as their long economic life means that any depreciation would not be material.

The most recent professional valuation of heritage assets was carried out in June 2022. The impairment has been recognised in these financial accounts. See note 12 for further information.

Statement of Accounting Policies (continued)
for the year ended 31 July 2024

12. **Intangible assets**

Intangible assets are amortised over the remaining estimated economic life of the assets. Large value software implementations are treated as intangible assets with amortisation commencing once the initial phase of development is complete. The rate of amortisation for the current software intangible asset is 8 years.

Programme development expenditure in collaboration with the University of London is charged to the Statement of Comprehensive Income in the year incurred unless it meets the recognition criteria for capitalisation as set out in FRS 102: 18.4 and 18.8H. When the recognition criteria have been met then such expenditure is capitalised as an intangible asset under construction. When the asset becomes available for use the useful life is estimated and the asset is amortised on a straight line basis over the useful life. The useful economic life of jointly funded course development is 3 years.

13. **Investments**

Non-current asset investments are held on the Balance Sheet at market value. Investments in subsidiaries are carried at cost less impairment in the University's accounts. Current asset investments are held at fair value with movements recognised within total comprehensive income for the year.

14. **Cash and cash equivalents**

Cash includes cash in hand, short term deposits which have a maturity date of less than three months from placement and overdrafts.

15. **Provisions**

Provisions are recognised in the financial statements when:

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

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

16. **Taxation**

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

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

17. **Reserves**

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

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

Statement of Accounting Policies (continued)
for the year ended 31 July 2024

18. Judgements in applying accounting policies and key sources of estimation uncertainty

Management considers that certain accounting estimates and assumptions relating to revenue, debtors, fixed assets and provisions are its critical accounting estimates.

In preparing these financial statements the University has made the following judgements:

a) Pension provisions include key assumptions on discount rates, salary inflation and staff numbers in the future. Where the Institution is contractually bound to make deficit recovery payments to one of the pension schemes, this is recognised as a liability on the balance sheet. Provisions are based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 25.

b) The holiday pay provision is calculated using a sample of departments within the University.

c) A general provision for bad and doubtful debts is calculated using a formula based on the age of the overdue debt. The formula is applied consistently each year but necessarily requires a degree of estimation. A specific provision for bad and doubtful debts is made for individual debts where recovery is believed to be uncertain and this requires an element of judgement.

19. Termination payments

Termination benefits are recognised as a liability and expense when the University has a constructive obligation, such as a formal plan in place that is effectively communicated to affected employees. The liability is measured at the value of payments expected to be made to employees under the termination arrangements. See also accounting policy 15. Provisions.

Notes to the Accounts
for the year ended 31 July 2024

		Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
1	**Tuition fees and education contracts**		
	Full-time home and EU students	23,781	25,781
	Full-time international students	16,454	17,353
	Part-time students	23,137	25,410
	Research Training Support Grant	2,519	2,376
		65,891	70,920
2	**Funding body grants**		
	Recurrent grant		
	Teaching (OfS)	2,190	2,371
	Research (UKRI)	11,071	12,494
	Specific grants		
	Hardship funds (OfS)	-	60
	Teaching Capital Investment Fund (TCIF) - OfS	50	-
	Research Capital Investment Fund (RCIF) - UKRI	548	542
	Release of capital grant - OfS (Note 17)	1,228	1,062
	Release of capital grant - UKRI (Note 17)	125	212
		15,212	16,740
3	**Research grants and contracts**		
	Research councils	3,169	3,332
	Research charities	2,020	3,102
	UK government	539	652
	Industry and commerce	63	44
	EU government	847	1,939
	Other	1,128	405
		7,766	9,474

The source of grant and fee income, included in notes 1 to 3 is as follows:

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Grant and fee income		
Grant income from the OfS	4,017	4,034
Grant income from other bodies	18,960	22,180
Fee income for taught awards (exclusive of VAT)	63,110	67,864
Fee income for research awards (exclusive of VAT)	2,551	2,731
Fee income from non-qualifying courses (exclusive of VAT)	231	325
	88,869	97,134

Notes to the Accounts (continued)
for the year ended 31 July 2024

		Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
4	**Other income**		
	Lettings	3,946	4,166
	Catering and conferences	822	729
	Other revenue grants	549	788
	Other income	3,788	3,944
		9,105	9,627
5	**Investment income**		
	Investment income on endowments	184	56
	Other investment income	1,552	1,175
		1,736	1,231
6	**Donations and endowments**		
	New endowments	1,196	586
	Donations with restrictions	38	35
	Unrestricted donations	1,471	1,671
		2,705	2,292
7	**Staff costs**		
	Salaries - annual remuneration	54,873	58,349
	Social security costs	5,467	5,797
	Other pension costs	8,869	11,251
	Sub-total	69,209	75,397
	VSER restructuring	1,240	3,872
	Movement in pension provision	(29,712)	(9,460)
		40,737	69,809

Notes to the Accounts (continued)
for the year ended 31 July 2024

7 **Staff costs (continued)**

Average staff numbers by category :

	Year ended 31 July 2024 Number	Year ended 31 July 2023 Number
Academic	363	431
Research	71	86
Technical	13	14
Professional and Support	580	598
	1,027	1,129

Emoluments of the Vice Chancellor of the University:

Professor David Latchman was Vice-Chancellor of the University until his retirement on 31 December 2023. The Vice-Chancellor from 1 January 2024 is Professor Sally Wheeler.

	Professor Sally Wheeler	Professor David Latchman	Year ended 31 July 2024 Total	Year ended 31 July 2023 Total
	£000's	£000's	£000's	£000's
Salary	161	124	285	315
Taxable benefits (relocation)	10	-	10	-
Non-taxable benefits (relocation)	8	-	8	-
Pension contributions to USS	-	3	3	20
Alternate pension contribution	-	13	13	30
	179	140	319	365

The USS employer contribution rate in respect of enhanced opt out members was 6.3% of salary until 31 December 2023. From 1 January 2024 this reduced to 0% of salary.

Neither Vice Chancellor received any other benefits either monetary or in-kind.

Head of provider's pay ratio:

	Professor Sally Wheeler	Professor David Latchman	Year ended 31 July 2024 Weighted average	Year ended 31 July 2023
Basic salary	5.9	7.0	6.6	7.6
Total remuneration	5.7	6.9	6.4	7.3

The median basic salary and median total remuneration is calculated on a full-time equivalent basis of all staff.

7 Staff costs (continued)

Remuneration of the Vice Chancellor

The Vice Chancellor's remuneration has been determined and reviewed through appropriate and robust processes in terms of independence, objectivity, and assessment of individual and overall institutional performance.

Remuneration Committee

The Vice Chancellor's remuneration has been set and reviewed by Remuneration Committee, which is comprised of independent Governors. The Committee includes the Chair of Governors, but in accordance with good practice, discussion of the Vice-Chancellor's remuneration is chaired by another independent Governor. The Vice Chancellor is not a member of Remuneration Committee and does not attend or participate in discussion of the Vice-Chancellor's remuneration. Remuneration Committee is supported by the College Secretary & Clerk to the Governors and, additionally, advice is provided, or commissioned, by the Director of Human Resources.

Process

The panel reviews the remuneration of the Vice Chancellor annually in the light of the following information:

- Sector remuneration benchmarking information provided by the CUC and other sources for a range of relevant comparator institutions.
- The outcome of the Vice Chancellor's annual appraisal conducted by the Chair of Governors. This is a formal documented process in which annual objectives are set and performance against those objectives are reviewed.
- The broader context provided by institutional performance information and institutional KPIs agreed by Governors.

Outcomes

Professor Latchman last received an increase in base salary, over and above the level of the national pay award, in 2012. He last received a bonus payment in 2016/17. His historic salary reflects his contribution to the leadership and development of the University over a 20 year period which has had transformational impact over this time. His salary has not been subject to any increase in relation to the national pay award. In 2022, in view of Birkbeck's financial position, Professor Latchman requested that his salary be reduced by £50,000 per annum until further notice. The Remuneration Committee agreed to this reduction which came into effect on 1 December 2022.

Professor Wheeler has been appointed with a salary commensurate with the size of Birkbeck as an organisation, based on sector remuneration benchmarking information provided by the CUC and other sources for a range of relevant comparator institutions.

Notes to the Accounts (continued)
for the year ended 31 July 2024

7 Staff costs (continued)

Remuneration of higher paid staff (excluding employer's pension contributions)

	Year ended 31 July 2024 Number	Year ended 31 July 2023 Number
£100,000 to £104,999	5	9
£105,000 to £109,999	6	7
£110,000 to £114,999	4	-
£115,000 to £119,999	3	2
£120,000 to £124,999	1	-
£125,000 to £129,999	3	-
£130,000 to £134,999	-	3
£135,000 to £139,999	1	-
£140,000 to £144,999	-	1
£150,000 to £154,999	1	-
£160,000 to £164,999	-	1
£175,000 to £179,999	1	-
£185,000 to £189,999	-	1
£190,000 to £194,999	1	-
£295,000 to £299,000	-	1
	26	25

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Below are the pay costs including employer's pension contributions for staff listed as senior management of the University on page 3.

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Key management personnel pay plus employer's pension	1,923	2,069

Key management personnel compensation

Remuneration Committee agreed in November 2023 that a senior staff pay round was not appropriate given the current financial position o the University. It agreed a limited number of individual cases related to increased responsibilities and staff retention.

Severance Payments

During the year the University undertook further restructuring for 43 employees, £1,126,000. (2022/23: 85 employees, £3,872,000).

All compensation for loss of office in respect of higher paid staff is approved by the University's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved in line with the scheme and in accordance with delegated authority.

Notes to the Accounts (continued)
for the year ended 31 July 2024

7 Staff costs (continued)

Governors

The Governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Board, being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor may have an interest. Such transactions have been declared under note 24 Related Parties.

No Governors received any remuneration or waived payments from the group during the year (2022/23: Nil). Governors who are employees of the University receive no additional remuneration for their services as governors.

No Governors received reimbursement of travel expenses incurred in attending meetings and events in their official capacity during the year (2022/23: Nil).

8 Interest and other finance costs

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Loan commitment fee	-	11
Exchange differences	15	5
Net charge on pension scheme	668	1,234
	683	1,250

The loan facility was cancelled in September 2022.

9 Analysis of total expenditure by activity

Academic and related expenditure	69,422	74,986
Administration and professional services	20,769	22,534
Premises	11,252	10,622
Catering and conferences	1,139	1,154
Research grants and contracts	5,505	7,066
Change in pension provision (Note 7)	(29,712)	(9,460)
Other expenses	683	1,250
	79,058	108,152
Other operating expenses include:		
External auditor - audit services	91	88
External auditor - prior-year overrun fee	5	7
External auditor - non-audit services	14	7
Internal auditor - audit services	68	68
Internal auditor - non-audit services	36	-
Operating lease rentals:		
Land and buildings	342	271
Other	-	22
Grant to Birkbeck Students' Union	390	365

9a Access and Participation

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Access investment	359	428
Financial support	448	586
Disability support	1,076	1,154
Research and evaluation	103	99
	1,986	2,267

£1,448,000 (2022/23: £1,479,000) of these costs are included in the overall staff costs figures, see note 7.

The University records and reports on its access and participation plan according to the requirements of the Office for Students, divided into the following areas:

- access work to help students from under-represented groups to go into higher education;
- financial support for eligible students;
- work to support disabled students in their study; and
- research into and evaluation of our activities.

The total spend across these four areas was £1,985,000. This was over and above the target investment for 2023/24 of £1,850,000.

Work in 2023/24 has included progressing the projects outlined in the revised Access and Participation Plan 2022-25 as approved by the Office for Students in Autumn 2023. This includes ongoing work in student engagement monitoring, and the Faculty Professional Services staff reorganisation delivered in autumn 2023 saw new Student Engagement Officers commence their work in each of the faculties. We appointed a new Student Success Research and Evaluation Lead during the academic year to increase our capacity to evaluate our work. The portfolio review completed during the Autumn Term 2022 was delivered, with new structure programmes commencing from Autumn 2023.

The University's internal Professional Services reorganisation included the Access and Engagement Team, and these staff associated with taking forward the Access and Participation Plan are now part of the Education Directorate and are leading on the next iteration of the University's APP due for submission to the OfS in October 2024. The Access and Engagement Team continued to deliver programmes through 2023/24 to support young people in further education and mature learner engagement during the period. Its spend is below target due to the mid-year departure of the Director and another member of the team taking one term of unpaid leave.

As noted in the 2022/23 financial statements, the University purposefully reduced its overall expenditure on individual student bursaries, as agreed with the OfS. Expenditure in this in this area was above the target investment for the year and the £67,000 overspend in this category was primarily in Student Hardship Funds.

Investment to support disabled students increased significantly this year, with additional expenditure in mental health services and study support. Research and Evaluation spend increased slightly with the introduction in the summer term of the dedicated staff role mentioned above.

The 2020/21 - 2024-25 Access and Participation Plan can be found here:

https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2024/BirkbeckCollege_APP_2020-21_V2_10007760.pdf

Notes to the Accounts (continued)
for the year ended 31 July 2024

10 Intangible Assets

	Software	Programme Development	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2023	2,238	337	2,575
Additions	-	-	-
At 31 July 2024	2,238	337	2,575
Amortisation			
At 1 August 2023	(1,490)	(177)	(1,667)
Charge for the year	(279)	(112)	(391)
At 31 July 2024	(1,769)	(289)	(2,058)
Net book value			
At 31 July 2024	469	48	516
At 31 July 2023	748	160	908

Notes to the Accounts (continued)
for the year ended 31 July 2024

11 Fixed assets

	Land & buildings	Assets in the course of construction	Plant & machinery	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	111,105	1,120	25,399	37,074	174,698
Additions	-	2,911	(5)	216	3,122
Written back during the year	(1,970)	-	(638)	(309)	(2,917)
Transfers	-	(889)	-	889	-
Disposals	-	-	-	(403)	(403)
At 31 July 2024	**109,135**	**3,142**	**24,756**	**37,467**	**174,500**
Consisting of valuation as at					
1 July 2023					
Cost	109,135	3,142	24,756	37,467	174,500
	109,135	3,142	24,756	37,467	174,500
Depreciation					
At 1 August 2023	(21,067)	-	(12,028)	(19,403)	(52,498)
Charge for the year	(1,692)	-	(1,103)	(2,848)	(5,643)
Written back during the year	1,970	-	638	309	2,917
Disposals	-	-	-	403	403
At 31 July 2024	**(20,789)**	**-**	**(12,493)**	**(21,539)**	**(54,821)**
Net book value					
At 31 July 2024	**88,346**	**3,142**	**12,263**	**15,928**	**119,679**
At 31 July 2023	90,038	1,120	13,371	17,671	122,200

The fixed assets for the University can be further analysed as follows:

Within land & buildings are freehold buildings with a net book value at 31 July 2024 of £23,615,000. (31 July 2023: £24,009,000). The remaining assets within land and buildings are held on a leasehold basis.

Fully depreciated capital works were written back to the Income and Expenditure during the year.

Notes to the Accounts (continued)
for the year ended 31 July 2024

12 Heritage assets

The University holds a number of assets of historical or artistic interest. The assets were donated to the University over a number of years with nil cost. They were last valued by Bonham and Sons Ltd in June 2022.

There was one addition during the year, a retirement portrait of the former Vice Chancellor, Professor David Latchman.

Heritage assets are not depreciated.

The heritage assets can be summarised as follows:

	Number of Items	Year ended 31 July 2024 £'000	Number of Items	Year ended 31 July 2023 £'000
Furniture and works of art	19	28	19	28
Pictures and wall hangings	76	133	75	129
Sculptures	7	17	7	17
Silver and silver plate	33	30	33	30
Other items	4	1	4	1
	139	209	138	205

The items with the highest valuation are:

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Portrait of Lord Denning by John Stanton	20	20
Portrait of Dame Helen Gwynne-Vaughan by De Lazlo	15	15
Portrait of George Birkbeck by S Lane	10	10

Notes to the Accounts (continued)
for the year ended 31 July 2024

13 Non-current investments

	Total
	£'000
At 1 August 2023	19,572
Additions	231
Disposals	-
Revaluation	1,428
At 31 July 2024	21,231

Fixed asset investments have been valued at market value as follows:

	Year ended 31 July 2024
	£'000
Mercer Sustainable Global Equity Fund	11,028
Ruffer Charity Assets Trust Funds	10,000
Other Listed UK equities	203
	21,231

During the year the Governors approved the remaining other listed UK equities holdings, in Marie Curie and L&G. At the year-end the shares were in the process of being sold.

The University receives detailed semi-annual sustainability reporting from Mercer on the global equity fund, which includes details of carbon intensity, sustainable thematic allocations, engagement activity and case studies. This reporting allows the Investment Committee to understand in more detail how the University's equity investments are performing from a responsible investment perspective. A similar performance report is provided regularly by Ruffer.

14 Stock

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
General consumables	30	27
	30	27

Notes to the Accounts (continued)
for the year ended 31 July 2024

15 Trade and other receivables

Amounts falling due within one year	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Research grants receivables	1,372	2,557
Other trade receivables	9,044	11,205
Other receivables	540	59
Prepayments and accrued income	4,600	4,098
Loan to Students' Union	30	30
	15,586	17,949

Amounts falling due after one year	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Loan to Students' Union		
Due between one and two years	-	30
	-	30

16 Creditors : amounts falling due within one year

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Trade payables	1,688	3,038
Social security and other taxation payable	1,370	1,500
Accruals and deferred income	27,073	27,430
	30,131	31,968

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

Research grants received on account	4,249	3,934
Grant income	1,687	1,325
Other income	10,224	10,645
	16,160	15,904

Notes to the Accounts (continued)
for the year ended 31 July 2024

17 Creditors : amounts falling due after more than one year

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Grant income	27,164	26,878
	27,164	26,878

The deferred income relates to government capital grants which are transferred to income over the useful economic life of the assets funded.

18 Provisions for liabilities

	Obligation to fund deficit USS pension £'000	Other Provisions £'000	Total Provisions £'000
At 1 August 2023	29,044	3,507	32,551
Utilised in year	-	(3,507)	(3,507)
Reduction/ (addition) in 2023/24	(29,044)	1,126	(27,918)
At 31 July 2024	-	1,126	1,126

Pension provision

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. The latest valuation of the USS pension scheme dated 2023 determined that the scheme was in surplus. As a result, the provision of £29,044 brought forward at 1 August 2023 was released to the Income and Expenditure during the year.

Key assumptions and further information is provided in note 25. See also note 7 in respect of significant one-off pension costs.

Other provisions

During the year, the University undertook further restructuring under a voluntary severance scheme. A provision has been recognised for amounts agreed before the year-end that are due to be paid after the year-end.

Notes to the Accounts (continued)
for the year ended 31 July 2024

19 Endowment Reserves

	Restricted permanent £'000	Unrestricted permanent £'000	Expendable £'000	2024 total £'000	2023 total £'000
Balance at 1 August					
Capital	3,906	1,680	-	5,586	5,664
Accumulated income	751	21	3,069	3,841	4,566
	4,657	1,701	3,069	9,427	10,230
New endowments	-	-	1,196	1,196	586
Unspent endowment returned to donor	(10)	- -	-	(10)	-
Investment income	114	-	70	184	56
Expenditure	22	-	(964)	(942)	(1,338)
Change in market value	334	1	206	541	(101)
Transfers and release of endowments	(1,457)	(325)	(248)	(2,030)	(6)
Total comprehensive income for the year from endowments	(997)	(324)	260	(1,061)	(803)
Balance at 31 July	3,660	1,377	3,329	8,366	9,427
Represented by					
Capital	2,711	1,375	-	4,086	5,586
Accumulated income	949	2	3,329	4,280	3,841
	3,660	1,377	3,329	8,366	9,427
Analysis by purpose					
Lectureships	107	-	-	107	95
Scholarships and bursaries	2,563	-	1,271	3,834	3,441
Research support	-	-	1,165	1,165	978
Prize funds	180	-	11	191	220
General	810	1,377	882	3,069	4,693
	3,660	1,377	3,329	8,366	9,427
Analysis by asset					
Current and non-current asset investments				7,648	4,844
Cash & cash equivalents				718	4,583
				8,366	9,427

During the year an exercise to review the endowment reserve was undertaken. As a result, £2,030,000 of previously restricted and unrestricted endowment reserves have been released to the general reserve following approval from donors.

Notes to the Accounts (continued)
for the year ended 31 July 2024

20 Restricted reserves

	Unspent capital grants £'000	Donations £'000	2024 total £'000	2023 total £'000
New donations	-	38	38	35
Expenditure	-	(322)	(322)	(15)
Total comprehensive expenditure for the year from restricted reserves	-	(284)	(284)	20
Balance at 1 August	100	779	879	859
Balance at 31 July	100	495	595	879
Analysis by purpose				
Scholarships and bursaries			310	446
Research support			64	64
General			221	369
			595	879

21 Cash and cash equivalents

	Balance at 1 August 2023 £'000	Cash Flows £'000	Balance at 31 July 2024 £'000
Cash and cash equivalents	30,013	(4,538)	25,475
	30,013	(4,538)	25,475

Notes to the Accounts (continued)
for the year ended 31 July 2024

22 Capital and other commitments

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Capital commitments contracted for but not provided for in the accounts	1,505	-
Capital commitments not contracted for and not provided for in the accounts	10,245	5,464
	11,750	5,464

23 Lease obligations

Total rentals payable under operating leases:

	Year ended 31 July 2024			Year ended
	Land & buildings	Other leases	Total	31 July 2023
	£'000	£'000	£'000	£'000
Payable during the year	342	-	342	293
Future minimum lease payments due:				
Not later than 1 year	216	-	216	343
Between 1 and 5 years	342	-	342	342
Total future lease payments due	**558**	**-**	**558**	685

24 Related party transactions

All Governors and senior staff of the University are required to complete an annual statement detailing any significant personal links they have with other organisations. Due to the nature of our business and the composition of the Board of Governors (being drawn from a range of private and public sector organisations) it is inevitable that transactions will take place with organisations in which a Governor or senior member of staff may have an interest. All transactions involving related parties are conducted in accordance with the university's financial regulations and procurement policies/procedures.

During the year, the University entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2024 are as follows:

Name of related party and relationship	Nature of transaction	Income 2024	Expenditure 2024	Income 2023	Expenditure 2023
		£'000	£'000	£'000	£'000
Abertay University	Other Income	-	-	-	1
British Academy	Other Expenditure	-	45	-	20
British Council Higher Education Sector Group	Other Expenditure	-	1	-	4
Kings College London	Other Inc/ Exp	73	39	30	4
London Higher	Other Expenditure	-	14	-	14
UCISA	Other Expenditure	-	5	-	5
University of London (UoL)	Other Inc/ Exp	317	612	248	330
University of Bristol	Other Expenditure	-	-	-	9
University College London (UCL)	Research funding/ Other income	1,461	586	2,284	449

Balances at the year-end were:

Name of related party	Balance due to Birkbeck at 31 July 2024	Balance due from Birkbeck at 31 July 2024	Balance due to Birkbeck at 31 July 2023	Balance due from Birkbeck at 31 July 2023
Abertay University	-	-	-	-
Kings College London	11	1	3	-
University of London (UoL)	-	13	-	144
University College London (UCL)	150	66	1,694	-

The consolidated financial statements do not include the income and expenditure of Birkbeck Students' Union as the University does not exert control or dominant influence over policy decisions. A grant of £390,000 (2022/23: £365,000) was provided to the Union.

In 2018/19 a loan of £175,000 was issued to the Birkbeck Students' Union. The loan was issued to support their return to a position of financial sustainability. The loan is repayable over seven years and no interest is charged. The loan outstanding as at 31 July 2024 was £30,000.

At the year-end, there was a balance due to the Students' Union of £417,000 (2022/23: £19,000) and a balance of £480,000 due from the Students' Union (2022/23: Nil).

Notes to the Accounts (continued)
for the year ended 31 July 2024

25 Pension schemes

Different categories of staff were eligible to join one of two pension schemes:
- Universities' Superannuation Scheme (USS); and
- The Superannuation Arrangements of the University of London (SAUL).

Both schemes are defined benefit schemes, the assets of which are held in separate trustee administered funds.

The total cost charged to the Statement of Comprehensive Income and Expenditure was:

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
USS	6,504	8,655
SAUL	2,365	2,596
	8,869	11,251

(i) The Universities' Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Income and Expenditure represents the contributions payable to the scheme.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The institution recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense in profit or loss in accordance with section 28 of FRS 102. University Governors are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Notes to the Accounts (continued)
for the year ended 31 July 2024

25 Pension schemes (continued)

(i) The Universities' Superannuation Scheme (USS)

Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme prepared under the scheme-specific funding regime introduced by the Pensions Act 2004. The Act requires schemes to adopt a statutory funding objective to have sufficient and appropriate assets to cover the technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

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

Principal Actuarial Assumptions	31 March 2023 valuation - technical provisions
Price inflation - Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/ CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Pension increase (subject to a floor of 0%)	Benefits with no cap:
	CPI assumption plus 0.03%.
	Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%)
	CPI assumption minus 0.03%.
Discount rate (forward rates)	Fixed interest gilt yield curve plus:
	Pre-retirement: 2.5% p.a.
	Post retirement: 0.9% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2023 Valuation
	101.0% of S2PMA "light" for males and 95.0% of S3PFA for females.
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

25 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

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

The funding position of the scheme has since been updated on an FRS 102 basis:

	2024	2023
Total scheme assets	£73.1bn	£66.5bn
Total scheme liabilities	£65.7bn	£80.6bn
FRS 102 total scheme surplus/ (deficit)	£7.4bn	£(14.1)bn
FRS 102 total funding level	111.0%	82.5%

A new deficit recovery plan was put in place as part of the 2020 valuation which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in note 17, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the Income and Expenditure.

At 31 July 2023, the institution's balance sheet included a liability of £29,044 million for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability of £28,742 million was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 17.

Employer and employee contribution rates for the scheme during the last three years were:

	Employer	**Employee**
From January 2024	14.5%	6.1%
From April 2022	21.6%	9.8%
From October 2021	21.4%	9.8%

(ii) The Superannuation Arrangements of the University of London (SAUL)

General description of the Pension Scheme

Birkbeck participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

25 Pension schemes (continued)

(ii) The Superannuation Arrangements of the University of London (SAUL) continued

Individuals joining SAUL from 1 April 2023 are automatically enrolled into SAUL Start (a defined contribution scheme) for the first three years of membership. After three years of membership members are automatically transferred to SAUL Care however members can opt to remain in SAUL Start. SAUL Start is managed by Legal & General.

Birkbeck is not expected to be liable to SAUL for any other current or participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margin to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2023 and will be reviewed again at SAUL's next formal valuation in 2026.

At 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions basis (31 March 2020: 94%). As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will reduce from a rate of 21% of CARE Salaries to 19% of CARE salaries from 1 September 2024.

Employer contribution rates for SAUL Start are set at 16%, employee contribution rates are the same as for the defined benefit scheme.

Accounting Policy

Birkbeck is a Participating member in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2023 was £3,096 million representing 105% of the liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. Birkbeck accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provision surplus at 31 March 2023, no deficit contributions were required following the 2023 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the University.

Notes to the Accounts (continued)
for the year ended 31 July 2024

26 US Loans Supplementary Schedule

We have an obligation as part of our participation in the US Federal Loans program to include supplemental information which complies with Federal Register/Vol. 84 No 184 / Monday, September 23, 2019 / Rules and Regulations. The data is prepared using UK GAAP and does not include any adjustments that would be required to comply with US GAAP.

			Year ended 31 July 2024 £'000s	Year ended 31 July 2024 £'000s	Year ended 31 July 2023 £'000s	Year ended 31 July 2023 £'000s
Reference	Expendable net assets					
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		115,060		89,201
30	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		9,245		10,306
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	191		1757	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		191		1757
8	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	119,889		112,405	
FS Note line 8A	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment pre implementation		62,311		66,250
FS Note line 8B	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-		-
FS Note line 8D	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase		54,436		55,035

Notes to the Accounts (continued)
for the year ended 31 July 2024

26 US Loans Supplementary Schedule (continued)

			Year ended 31 July 2024		Year ended 31 July 2023	
			£'000s	£'000s	£'000s	£'000s
Reference	Expendable Net Assets (continued)					
FS Note line 8C	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		3,142		1,120
9	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-		-	
Excluded Line 9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-
M9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-	Lease right-of-use asset post-implementation		-		-
10	Statement of Financial Position - Goodwill	Intangible assets		516		908
17	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		-		29,044
14,20,22	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	-		-	
M24,20,22, Note Debt A	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation		-		-
M24,20,22, Note Debt B	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation		-		-
M24,20,22, Note Debt C	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		-

Notes to the Accounts (continued)
for the year ended 31 July 2024

26 US Loans Supplementary Schedule (continued)

			Year ended 31 July 2024 £'000s	Year ended 31 July 2024 £'000s	Year ended 31 July 2023 £'000s	Year ended 31 July 2023 £'000s
Reference	**Expendable net assets (continued)**					
21	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-		-	
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-		-
Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		-		-
25	Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-
26	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-
27	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-
29	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		9,245		10,306
Reference	**Total expenses and losses**					
43	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		79,058		108,152

Notes to the Accounts (continued)
for the year ended 31 July 2024

26 US Loans Supplementary Schedule (continued)

			Year ended 31 July 2024		Year ended 31 July 2023	
			£'000s	£'000s	£'000s	£'000s
Reference	Total expenses and losses (continued)					
(35),45,46,47,48,49	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(3,167)		(979)
(35),45	Statement of Activites - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		(3,167)		(979)
47	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-
Reference	Modified net assets					
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		115,060		89,201
30	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		9,245		10,306
10	Statement of Financial Position - Goodwill	Intangible assets		516		908
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	191		1,757	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		191		1,757

Notes to the Accounts (continued)
for the year ended 31 July 2024

26 US Loans Supplementary Schedule (continued)

			Year ended 31 July 2024		Year ended 31 July 2023	
			£'000s	£'000s	£'000s	£'000s
Reference	**Modified assets**					
12	Statement of Financial Position - Total Assets	Total Assets		182,726		190,904
Excluded Line 9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-		-
10	Statement of Financial Position - Goodwill	Intangible assets		516		908
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	191		1,757	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		191		1,757
Reference	**Net income ratio**					
51	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		26,564		2,669
38, (35), 50	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		100,689		109,059