

Financial Statements

For the year to 31 July 2023

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Chair's foreword

I am pleased to present the annual Report and Accounts for 2022-23, which show another strong financial performance for King's College London. We have consolidated the financial gains of recent years and achieved the same operating surplus as in 2021-22. This includes a significant increase in philanthropic donation. The position on the Universities Superannuation Scheme (USS) has improved since the March 2023 valuation to the extent that we have been able to reduce the liability provision for future USS payments. This is a major change in the presentation of the financial statements, as the USS liability increased by £289m in 2021-22. In total, the surplus for the year was £129m, compared with a loss of £245m in 2021-22 (a loss that was itself driven by the increase in USS provision).

I am also delighted to report that, since the balance sheet date, the Privy Council and the Office for Students have approved various changes to our status. Accordingly, from 18 May 2023, King's College London is formally designated a University, while the leading executive role (of Principal), presently held by Professor Shitij Kapur, is now styled Vice-Chancellor & President.

While we are still living with the consequences of the Covid-19 pandemic, the last year has seen a further return to 'normal'. We have nevertheless retained some of the innovations necessitated by Covid-19. Hybrid working, for example, has successfully maintained our operations while remaining well-received within the King's community. It has been a particular pleasure for me and my fellow Council members to be able to return to interacting fully with our staff and students; the unprecedented number of Graduation Ceremonies during 2023 were themselves not only a great celebration of the hard-earned success of our students but also a testament to the University's vigour in the post-pandemic era.

During 2022-23, we were able to look more confidently at the medium to long term future of King's. The implementation of the strategic decisions over the past decade have allowed King's to grow, transforming some of the University's physical assets to serve our community better. We are now looking at the next stages of our development, in line with our overall strategy, Vision 2029, and the medium term operating and financial plan – Strategy 2026 – which Council agreed in July 2023. This initiative is intended to advance major strategic projects and generate a significant margin for investment in our academic future each year. Principally, that investment will deliver fundamental benefits to the entire University, and especially its students and staff. It will also cement our position as a world-class university in the heart of one of the world's great cities. The priority attached to growing our financial surplus is therefore at the very heart of developing the King's which our community expects and to which we aspire.

After five years of high year-on-year growth in student numbers, we determined to largely consolidate our student population in 2022-23. As a consequence, tuition fee income from students was effectively the same as in 2021-22. Taking a longer focus, our tuition fee income has increased by more than 50% in the past four years; our plan to 2025-26 shows further growth, albeit at a slower rate than in the recent past.

From 18 May 2023, King's College London is formally designated a University, while the leading executive role (of Principal), presently held by Professor Shitij Kapur, is now styled Vice-Chancellor & President.

We are now looking at the next stages of our development, in line with our overall strategy, Vision 2029, and the medium term operating and financial plan – Strategy 2026.

In 2023-24, we will complete the construction of the London Institute for Healthcare Engineering (LIHE) on our part of the St Thomas' campus, and the construction of the Pears Maudsley Centre for Children and Young People (CYP) on the Denmark Hill site.

The current quality of teaching at King's is reflected in the 2023 national Teaching Excellence Framework assessment of an overall Silver award, with Gold for our student outcomes.

Last year, we welcomed the success which King's achieved in the 2021 Research Excellence Framework and emphasised the fundamental importance of research to our mission. It is therefore very pleasing to note that research grants and contract income has increased further to £236m in 2022-23. After a long period when £200m appeared to be a 'ceiling' on our research grants and contracts earnings, we are now well above that level, with plans to increase it yet further.

To fulfil our research ambitions, we must provide our outstanding academic staff with the necessary infrastructure and equipment. To that end, in 2023-24, we will complete the construction of the London Institute for Healthcare Engineering (LIHE) on our part of the St Thomas' campus, and the construction of the Pears Maudsley Centre for Children and Young People (CYP) on the Denmark Hill site in collaboration with the South London and Maudsley NHS Foundation Trust. Both of these projects have attracted substantial financial support from the UK Research Partnership Investment Fund, as we have been able to show match funding from industry (for LIHE) and from philanthropic donations for CYP.

In 2023-24, we are also likely to start other major construction projects contained within our three-year plan and consistent with our strategic aims. We will consider these projects and the benefits they will bring in the context of our sound financial position and the £377m of cash at the balance sheet date. Our recent financial performance and the commitment of the University to deliver future surpluses allows us to look confidently to the future.

Our students and staff are the heartbeat of King's. Their voice remains vital in designing the support and facilities they need to work and study effectively. To them, as to the entire University, matters of wellbeing, mental health support, pay and pensions are all key areas of concern. Indeed, these are all core priorities within Vision 2029. Last year I reported on the formation of a dedicated Staff and Culture Strategy Committee, which is now well-established. Over the last year, we have formulated some of the ideas to enhance future student success, and firm plans will be agreed in 2023-24 with appropriate resources and support to deliver these plans. The current quality of teaching at King's is reflected in the 2023 national Teaching Excellence Framework assessment of an overall Silver award, with Gold for our student outcomes. However, the voice of our students reflected in the National Student Survey indicates that we are not fully satisfying the rightful expectations of our students. Accordingly, we will be aiming for substantial improvement in the overall student experience in coming years.

In 2023, King's undertook a comprehensive staff survey. The response rate (at well over 60%) and the very positive indicators of engagement, the value that staff place on their immediate colleagues and the overall pride in King's and commitment to our vision shone through the survey. There were other aspects that were less reassuring, with some reporting of bullying and harassment, and general dissatisfaction with some of the processes and systems underpinning work at King's. We must also be mindful of general concern over rates of pay, which have led over the past year to disruption of some student marking and assessments. King's has been able to make some improvements to pay through increases to our London Weighting payment, and conditions through additional holiday and improvements to maternity and paternity arrangements. Nationally, the improvements in the funding of USS should lead to lower member contribution rates and improved benefit accrual for members from 2024. Council is acutely aware of the pressures on our community, and also the financial constraints within which we operate, and we will support the executive team in finding a fair and balanced way of working.

We do not know the future, and events in different parts of the world generate their own climate of despair. Against such a backdrop, King's strives to create and maintain an environment in which, regardless of the forces and conditions that may divide us, everyone can flourish, and where the differences of the world may be better reconciled through scholarship and understanding.

The Rt Hon the Lord Geidt GCB GCV OBE QSO FRC
Chair of Council

Vice-Chancellor & President's report

This is my third annual report, and once again I will start with expressing my wholehearted gratitude for the contribution of colleagues and students to the King's community in the past year. We continue to build on the very strong foundations of earlier decisions, and can look forward with greater certainty to delivering the ambitions we have agreed as a University in the coming years.

The financial statements show a year of very solid achievement and a consolidation of the financial improvements seen in recent years. The impact of the scale of the movement in the provision for the Universities Superannuation Scheme (USS) has in recent years distorted the headline surpluses or deficits of King's and internally we have developed metrics to identify our operational financial performance. In 2022-23, our surplus before other gains and losses was £128m. The decrease in the USS liability provision constituted £68m of this surplus, and a further £29m came from new donations and endowments from our very generous benefactors. Our surplus from operations therefore was only £31m, the same figure as in 2021-22.

The funding position of the USS has been a matter of great concern for a number of years. Quite rightly, colleagues who are members of USS see the pension scheme as a great benefit and a very valuable part of their reward from working at King's. From an institutional viewpoint, the University contribution rate at 21.6% of salary was pushing towards the limit of affordability. Over the past decade, there have been significant challenges to the sustainability of USS, leading to a combination of higher contribution rates from members and institutions and a reduction in the 'defined benefit' element of the scheme and the rate at which benefits accumulate. The recent increases in long term interest rates leading to higher discount rates on future liabilities within USS, have produced a markedly different result in the March 2023 USS valuation, with the scheme moving from a calculated £14 billion deficit in 2020 to a £7 billion surplus in 2023. USS has been consulting with members and contributing institutions on future benefit and contribution levels. The consultation has yet to conclude, but there is a remarkable degree of agreement on the desired position for the future.

King's has recognised a reduction in the USS liability provision in 2022-23, but it is likely that the entire provision will be removed from the balance sheet in 2023-24. This will substantially improve the strength of the balance sheet and improve still further our compliance with all loan covenant conditions.

One of our strategic aims is a thriving staff community, as we cannot deliver our other ambitions without an outstanding complement of staff, highly motivated by the values and aims of King's. The past year has been difficult, with strikes over pay and conditions and a marking and assessment boycott leading to uncertainty over marks and grades including to graduating students. I was pleased, that despite all of this, King's managed to graduate all our students in summer 2023 ceremonies with their hard-earned degree classification. I must commend the efforts of colleagues across King's for this achievement and the calm leadership shown by our Faculty Executive Deans and my senior team. I hope we have seen the end of these disruptions.

In the summer of 2023, while the marking and assessment boycott was in place, we undertook a survey of all King's staff. We had a remarkable return rate with 6463 returns, which represents 60% of our staff. The survey showed a huge positive regard that colleagues had for their immediate teams and their pride in being part of the King's community. An independent analysis of the results showed high 'engagement' with King's – significantly higher than the average of benchmarked peer institutions. However, the survey also showed higher than acceptable levels of bullying and harassment, and frustration over the systems and processes that colleagues encounter in their day-to-day work. We are determined to improve on these and other matters identified in the survey, and I am pleased that I will be joined by our first ever Chief People Officer, Ms. Fiona Roberts, in January 2024 to ensure that enduring change is achieved.

We have made considerable progress in establishing a medium-term planning horizon, and agreed a three-year rolling operating and financial plan for the period to 2025-26 during the year. The financial plan is intended to generate operating surpluses sufficient to make capital and other investments to enhance the quality of King's work. While we have secured an operating surplus, this operating surplus has to increase in the coming years to produce the necessary investment funds needed for the future.

In 2022-23, our surplus before other gains and losses was £128m. The decrease in the USS liability provision constituted £68m of this surplus, and a further £29m came from new donations and endowments.

The financial plan is intended to generate operating surpluses sufficient to make capital and other investments to enhance the quality of King's work.

During 2022-23, we completed the work to re-invigorate and re-imagine our engineering facilities in the Strand 'Quad'.

Our plans around an expansion of our Natural Sciences programmes, the development of the south west wing of Bush House on the Strand, and improvements to the experiences of our students while studying at King's are rapidly taking shape.

We have seen great strides in our estate over the past decade. During 2022-23, we completed the work to re-invigorate and re-imagine our engineering facilities in the Strand 'Quad'. Our work on the construction of the London Institute of Healthcare Engineering – a project with an exciting mixture of research, teaching and entrepreneurship, while also serving Guy's and St Thomas' NHS Foundation Trust – and the Pears Maudsley Centre for Children and Young People – a joint project with South London and Maudsley NHS Foundation Trust providing both research and clinical facilities – will complete in 2023-24.

The Pears Maudsley building is the latest example of how we can use philanthropic donations to create facilities. We believe that philanthropic giving will become an ever more important source of support for our future ambitions. Over the past year, we have received many donations from benefactors, leading to the recognition of £29m in our financial statements as donations and additions to our endowment funds, and further income which directly supports research activity. We are hugely grateful for this support, and also all the effort freely volunteered to King's by our wider community. We aim to be 'one King's' and our benefactors and supporters are a very important part of this.

We have now started the new academic year, and our plans around an expansion of our Natural Sciences programmes, the development of the south west wing of Bush House on the Strand, and improvements to the experiences of our students while studying at King's are rapidly taking shape.

I end, where I started, with an expression of gratitude for colleagues and our students. We are only as good as they make us, and I know that between us we can make King's great.

Professor Shitij Kapur MBBS PhD FMedSci(UK) FAAHMS (AUS)
Vice-Chancellor & President

Key facts

2022-23
£78.5m

Total comprehensive income for the year

2021-22
(£244.8m)

2022-23
£30.9m

Operating surplus excluding movement on the pension provision, donations and endowments

2021-22
£31.0m

2022-23
£144.9m

EBITDA and pension movement (earnings before interest, tax, depreciation, amortisation and pension movement)

2021-22
£118.7m

2022-23
£128.3m

Surplus/(deficit) for the year before revaluation gains

2021-22
(£247.4m)

2022-23
£1,230.0m

Total income

2021-22
£1,149.3m

2022-23
81.3%

Unrestricted reserves as a % of total income

2021-22
81.7%

2022-23
£60.4m

Net cash inflow from operating activities

2021-22
£135.8m

2022-23
4.9%

Net cash inflow from operating activities as a % of total income

2021-22
11.8%

2022-23
33.1%

External borrowings as a % of total income

2021-22
35.8%

2022-23
124 days

Net liquidity days (before movement in USS pension provision)

2021-22
134 days

2022-23
8,861

Staff numbers, full-time equivalent

2021-22
8,464

2022-23
34,496

Student numbers, full-time equivalent*

2021-22
35,918

2022-23
£283.0m

Research: new and renewed awards (forward order book)

2021-22
£292.0m

2022-23
£28.9m

Donations and endowments

2021-22
£11.2m

2022-23
35th

Times Higher Education World University Rankings

2021-22
35th

Operating and financial review for the year ended 31 July 2023

Financial Review

	2022-23	2021-22
Tuition fees and education contracts	607.8	610.5
Funding body grants	148.3	139.0
Research grants and contracts	236.3	221.2
Other income	190.7	162.8
Investment income	18.0	4.6
Donations and endowments	28.9	11.2
Total income	1,230.0	1,149.3
Staff costs	(667.9)	(624.4)
Other operating expenses	(417.2)	(406.2)
Earnings before Interest, Tax, Depreciation, Amortisation & Pension movement	144.9	118.7
Interest and other finance costs	(29.4)	(17.3)
Staff costs – movement on USS pension provision	68.5	(289.6)
Depreciation	(55.7)	(59.2)
Surplus/(deficit) before other gains/ losses	128.3	(247.4)
Other gains and losses	1.0	2.6
Surplus/(deficit) for the year	129.3	(244.8)
Unrealised loss on revaluation of tangible assets	(50.7)	–
Total Comprehensive Income for the year	78.6	(244.8)

Financial performance

After several years of volatile financial performance in the midst of the fundamental challenge to the activities of a University represented by the impact of Covid-19, 2022-23 saw something of a return to normal operations. In financial terms, the year ended 31 July 2023 represented a consolidation of the improvements seen in 2021-22, with the operating surplus for the year effectively the same at £31m as the 2021-22 surplus when the impact of the movement on the Universities Superannuation Scheme (USS) pension provision and the exceptional year for Donations and Endowments are removed (see Derivation of Operating Financial Surplus below).

Total income, including Donations and Endowments, increased by 7% to reach £1.23 billion, up from £1.149 billion in 2021-22. Removing the distorting impact of the movement in the USS pension provision, expenditure increased by 5.7% to reach £1.17 billion, compared with £1.107 billion in 2021-22. The table below summarises the financial position and derives a measure of operating surplus excluding the impact of the movement on USS pensions provision and Donations and Endowments.

Derivation of Operating Financial Surplus

	2022-23 £m	2021-22 £m
Total Income	1,230	1,149
Total Expenditure	1,102	1,396
Surplus/(Deficit) before other gains and losses	128	(247)
Extract – Increase/(Decrease) in USS Pension Provision	(68)	289
Extract – Donations and Endowments	(29)	(11)
Net Operating Surplus	31	31

The financial statements once again reflect the volatility in the measurement of USS pension provision. In July 2023, King's received notification of the USS valuation as at 31 March 2023. There has been a marked improvement in the valuation of the fund, almost entirely due to changes in the long-term gilt rate feeding into the discount factor applied to future liabilities. The scheme, based on the technical provisions used in the valuation, has moved from an approximate £14 billion deficit at the last valuation to a £7 billion surplus. This very significant change in the USS position has precipitated a consultation of USS contributing institutions and USS members over future levels of benefit and future contribution rates. King's has contributed to the institution consultation via Universities UK, and has facilitated staff engagement with the member's consultation. It is likely that the consultation will lead to a combination of the restoration of benefit accruals to pre-April 2022 levels and a lower contribution rate for employers and employees in the scheme. It must also be hoped that the technical provisions surplus in the scheme will act as something of a 'shock absorber' leading to greater stability in both benefits and contribution rates after future valuations.

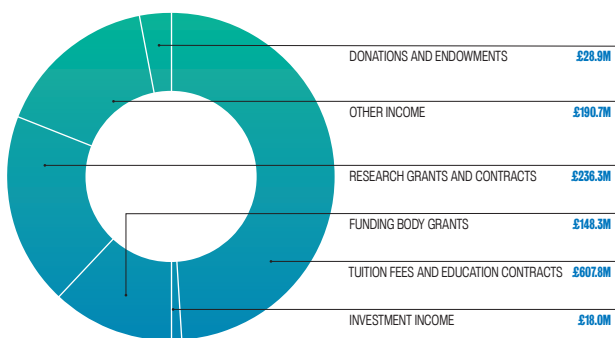
The movement on the USS pension provision shown in 2022-23 is a partial recognition of the movement in gilt rates. It is not the full recognition of the impact of the March 2023 valuation, as this can only be confirmed at the end of the consultation period and ultimately the decisions of the USS Trustees. Consequently, while there has been a reduction of £68m in the USS liability provision held on the King's balance sheet, there is still a provision against future scheme deficit contributions of £331m on the balance sheet at 31 July 2023.

It is likely that there will be a significant reduction/elimination of this liability provision in the 2023-24 financial statements.

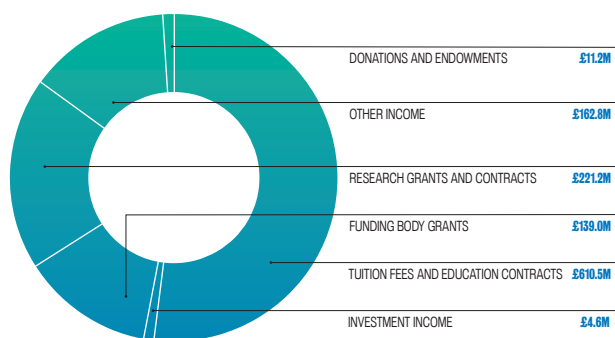
Income

Total income increased by £81m from £1.149billion to £1.23 billion, an increase of 7%. In 2021-22, income increased by £148.7m or 14.9% on the previous year and 2022-23 represents a consolidation of the gains of 2021-22. The movement of income between 2021-22 and 2022-23 is illustrated graphically below.

INCOME 2022-23 £M



INCOME 2021-22 £M

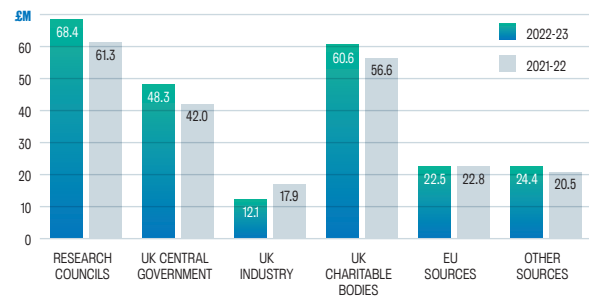


Tuition fee income remains the most important single component of our income, but there was a marginal decrease of £2m to a total of £608m compared with 2021-22. An increase of £7m in fees from full time international students was offset by small reductions in other fee categories. The maximum fee for home undergraduate student remains unaltered at £9,250, and the upsurge of inflation in the past two years has emphasised the real terms decline in the unit of resource. This is also reflected in Funding Body grants, where the nominal price increase is substantially below the CPI measure of inflation.

Income from research grants and contracts showed a solid growth from £221m in 2021-22 to £236m in 2022-23 – an increase of 6.8%, after an increase of 17.5% in 2021-22. These two years of substantial growth seem to have broken through the long-standing ceiling of £200m in grants and contracts income seen at King’s for a number of years.

Of particular note is the growth in income from Research Councils (£7m increase or 11% on 2021-22) and Research Council income now represents 29% of research grants and contract income.

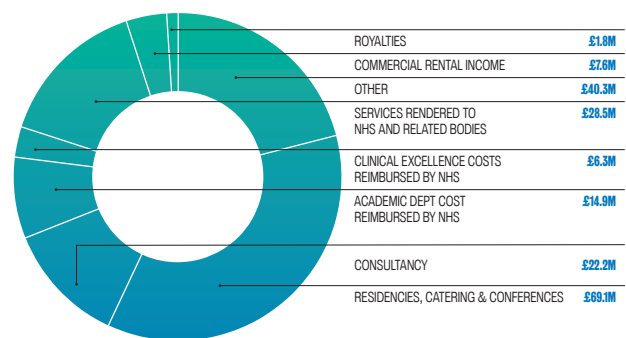
RESEARCH INCOME BY FUNDER TYPE £M



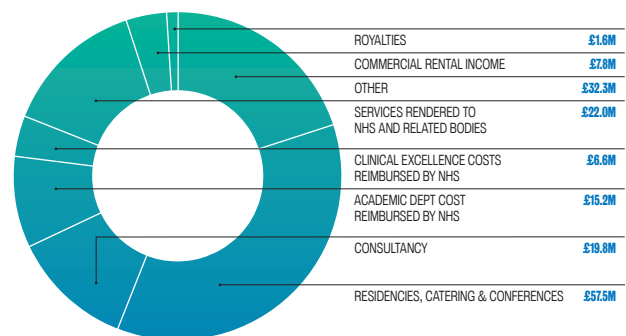
Our new research awards have also grown in recent years, and while the new awards in 2022-23 at £283m were marginally down on the £292m awarded in 2021-22, there is a distinct upward trend in our awards data over the longer term.

Other income increased by £28m to £191m, with almost half this increase attributable to residences, catering and conferences. The Covid-19 period massively disrupted this business, and it is a tribute to colleagues working in this area to see such a strong recovery in income.

OTHER INCOME 2022-23 £M



OTHER INCOME 2021-22 £M



Investment income increased to £18m from £4.6m. Cash balances were higher than predicted in our budgeting, largely because of lower than anticipated capital spending, but the main driver was the increase in short term interest rates. By careful management of deposits, ensuring sufficient liquidity to meet our needs, we were able to earn a return comparable to the rate set by the Monetary Policy Committee of the Bank of England. Virtually all of our cash deposits were held with Royal London Asset Management (RLAM), with whom King's has a long standing and constructive relationship. The return on King's funds over the year was 3.2% and the RLAM funds returned 3.27%, exceeding the bench mark for the year.

King's enjoyed an excellent year for Donations and the receipt of new endowments. We are immensely grateful to all our supporters for their generosity which will allow us to advance our academic and service ambitions. In addition to the funds recognised in the financial statements, a number of other large gifts have been agreed or are being actively discussed, and will be recognised when all conditions necessary for the donation are made.

In common with other UK institutions, King's is concerned at the real terms decline in home undergraduate tuition fee and Funding Body grants, and the challenge of securing new research funding. Inevitably in our quest to maintain the excellence of our teaching, research and other services, this has led to changes in the relative contribution and the relative growth rate of different parts of our economy. The table below (2018-19 to – 2022-23 Income Changes) shows the changes in the period from 2018-19, the last full financial year before Covid-19.

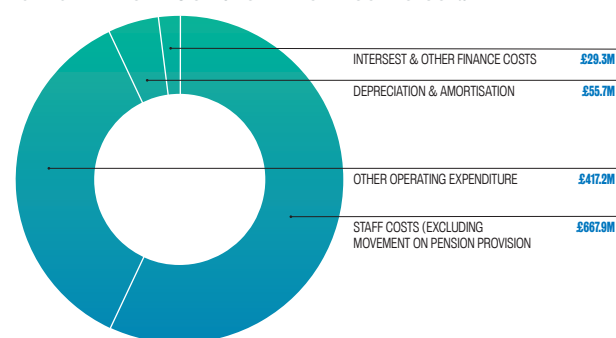
2018-19 – 2022-23 INCOME CHANGES	2022-23 £m	2018-19 £m	% Change
Full-time Tuition Fees for International Students	342	172	+99%
All Other Tuition Fees	266	222	+20%
Funding Body Grants	148	128	+16%
Research Grants and Contracts	236	195	+21%
Other Income	191	164	+16%
Investment Income	18	5	+260%
Donations and Endowments	29	16	+81%
Total Income	1,230	902	+36%

While King's income over this four-year period has grown by a very healthy £328m (36%), just over half of the growth (£172m) is attributed to the tuition fees charged to full time international students. These tuition fees now represent 28% of total income, compared with 19% in the immediately pre-Covid-19 period. Our budgeting and planning forecasts a continued relative and absolute growth in this source of income.

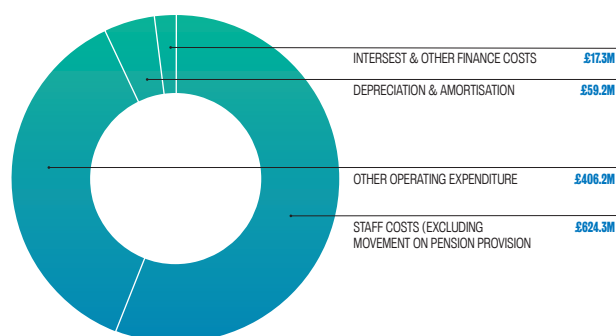
Expenditure

As described above, the impact of the movement in the USS pension provision can have a significantly distortive effect both on absolute numbers and the comparison between years. In 2021-22, King's accounted for a £290m increase in the provision as additional expenditure, whereas in 2022-23, we reduced the provision by £68m. Unless otherwise stated, the description below refers to expenditure, with the impact of the USS pension provision removed.

2022-23 EXPENDITURE EXCLUDING MOVEMENT ON PENSION PROVISION £M



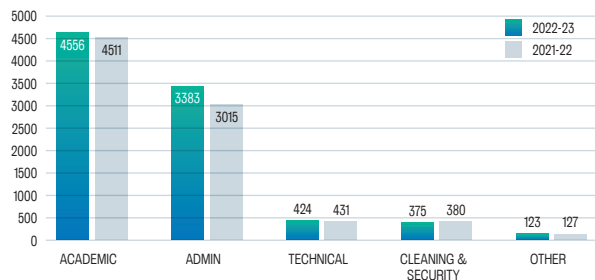
2021-22 EXPENDITURE EXCLUDING MOVEMENT ON PENSION PROVISION £M



Expenditure in 2022-23 increased by £63m (5.7%) to £1.102 billion compared with 2021-22. It was a challenging year, with significant inflationary pressures on our normal expenditures, and King's also put in place some specific measures to support staff and students in the 'cost of living crises'. The control of expenditure has been consistently strong, but it should also be acknowledged that salaries and wages expenditure has been suppressed because of vacancies in excess of our planning targets.

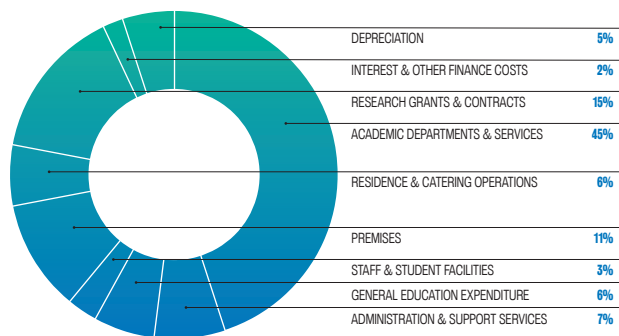
Salaries and wages costs, including agency and contract staff, increased by £44m (7%) to £668m. King's continued to carry unwanted vacancies for long term positions in academic and professional services areas. It is a tribute to all King's staff that despite these staffing strains, we continued to deliver high quality services across King's. There has been a very marked period of expansion in student numbers in the past five years, and there is still likely to be some element of catch up in the coming years on particularly academic appointments.

STAFF FTE BY CATEGORY



Other operating expenses increased by only £11m (2.7%) to £417 million. At the start of the year, King’s had considerable worries about our ability to control non-staff inflation, and this level of control is admirable. As an example, utilities costs, a source of major volatility, increased from £16.4m (2021-22) to £20.6m (2022-23).

HOW KING’S INVESTED ITS MONEY £M



Total comprehensive income

The Surplus before other gains and losses was £128m, which as explained above represents an operating surplus of £31m, additional donations and endowment assets of £29m and a positive movement on the USS pension provision of £68m.

In our internal budgeting and the financial forecasts provided to the Office for Students, King’s was projecting a breakeven operating position, so the result of a £31m operating surplus is an improvement on our plans.

In terms of other gains and losses, there was a helpful gain of £4.5m in our endowment asset valuation. During the year, the Investment Sub-Committee of Council meet the mandate from Council to eliminate fossil fuel holdings in the Endowment Fund. However, further ethical screening of the fund at year end discovered an indirect fossil fuel holding representing 0.2% of the fund in total. All other ESG ambitions were met in full.

The largest movement before establishing the total comprehensive income for the year is the recognition of our professional advisor’s advice on the valuation of freehold land. There has been a £51m decrease in the estimated value of our freehold land, which has reduced the positive value of our revaluation reserve accordingly.

The movements in other gains and losses when added to the Surplus before other gains and losses produce a total comprehensive income for the year of £78.5m compared with a loss of £244.8 m in 2021-22.

Balance sheet

As a result of our activities and revisions to valuations, the total net assets shown on the balance sheet have increased from £1.242 billion to £1.321 billion.

Capital investment

After recognising the value of asset creation in the year, charging depreciation and the significant change in the value of our freehold land, total Tangible Assets fell by £31m to £1.542 billion. Our payments to acquire new fixed assets fell sharply from £170m in 2021-22 to £77m in 2022-23. The 2021-22 figure is higher because of the acquisition costs of Bush House South West Wing, and while there has been significant progress in the design work for the ultimate use of the building, the major construction work on this project has not yet started.

During the year, we recognised the full completion of the major construction works on our Strand campus, housing engineering teaching and research facilities in the Quad. We have also completed major works on the Guy’s Hospital site, including research facilities for Gene Therapy and Advanced Therapy and on the St Thomas’ hospital campus. We have also made very significant progress on the London Institute for Healthcare Engineering (LIHE) on the St Thomas’ hospital campus (partially supported by a grant from the UK Research Partnership Infrastructure Fund). In conjunction with South London and Maudsley NHS Foundation Trust, we are developing the Pears Maudsley Centre for Children and Young People on the Denmark Hill site

In the coming year, King’s is likely to make major progress on very large projects with the development of the Bush House South West Wing which will provide essential student facilities and teaching space and largely complete the King’s frontage on to The Strand, the early phases of the estate and equipment investment in our King’s Interdisciplinary Science project, and agreement on the development route for our Champion Hill Halls of Residence.

Endowment asset investments

Our Endowment Asset investments increased from £291m to £301m. The Endowments released the appropriate income agreed at the start of the year to support King’s activities. The portfolio produced a return of 2.4% compared with the composite benchmark return of 2.8%. The portfolio remains in line with the composite benchmark since inception. The Investment Sub-Committee of Council meets four times a year to review policy and individual fund performance, fully supported by the professional advisors Cambridge Associates.

Treasury management

Our cash balance of £377m (virtually unchanged on 2021-22) represents a strong position, and is considerably higher than that projected at the start of the year. While our operating performance has contributed to the strong cash position, the high balance also reflects some delays in capital projects, which were optimistically forecast when planning 2022-23 to begin in 2022-23. These will be a charge on our cash resources in future years rather than in 2022-23. As noted above, the higher cash balance has helpfully contributed to the interest earned in 2022-23, and our interest earnings will continue to exceed the budget for at least the first half of 2023-24.

There has been an increase in our debtors of £31m to £183m. It is not considered that this represents an increased risk of default, with £9m of the increase represented by an increase in prepayments and accrued income and £11m by an increase in not yet invoiced research work in progress.

Borrowings

There have been no major changes in our borrowing profile in the year, and our repayments have been structured into the medium- and long-term future. Our first major ‘bullet’ repayment of a loan is due in April 2031, with £60m repayable. King’s has notionally set aside part of our cash holdings to build up a balance sufficient to meet this payment and others due in the medium term. During 2023-24, the Finance Committee of Council will consider options to decide the best way to make provision for these debt repayments in the 2030s.

As noted at length in describing the impact of the USS pension provision on our Income and Expenditure position, there has been a marked decrease in the USS pension liability provision held on the balance sheet. The consultation on future benefits and contribution rates within USS has still to conclude, but on the basis of the strong valuation of the scheme in March 2023, it is likely that there will be a very considerable reduction or even complete elimination of this liability provision in 2023-24.

There are a number of covenants attached to our debts, and all USS institutions are measured against USS created balance sheet ratios. King’s remains comfortably within all our debt covenants, with significant headroom on most of the measures. For the USS balance sheet ratios, there is a minor underperformance against one ratio, however, this does not trigger any action or alarm by USS.

Budgeting and Planning

King’s has established a rigorous planning and budgeting process, encompassing three years of operational and financial planning. The intention is to ensure that our 2029 Vision and 2026 Strategy are fully reflected in annual plans and to give greater certainty over the medium term with rolling three-year plans.

In order to make the innovative physical, digital and staffing investments essential for our ambitions, King’s has set a target to create an investment fund of £100m per annum (in real terms). While King’s current financial performance is strong, we are generating of the order of £50m per annum for new investments. Over the next three years, King’s has agreed a plan to increase the operating surplus each year towards this real terms £100m target. It is unlikely that we will reach this level of surplus in the first rolling three-year period, but it is our intention to achieve the target from 2027-28 financial year. In the meantime, we will seek to bridge the gap between operating surpluses and the investment target by running down our cash balances in a controlled manner and attracting new external funding, including additional philanthropic funding.

The investments already agreed and those in the future must have very clear quantitative and qualitative benefits. As these benefits are delivered, they will themselves feed into our financial performance to increase the capacity for further strategic investments.

The start of our financial improvement has been based on the great efforts of the King’s community to expand our teaching and research activity. This has been a very successful policy, particularly in terms of expanding our student population. There are further activity and income increases built into the first rolling three-year plan, and there will almost certainly be further growth forecast in future years – not least because of the delivery of the benefits of the strategic investments already agreed or about to be agreed. However, it is unlikely that the level of growth in recent years can (or should) be maintained. There will be a greater focus on productivity and efficiency in academic and professional services delivery in the future, as well as the focus on delivering and capturing the benefits promised as new investments are agreed.

Risks and Uncertainties

It is to be hoped that we have moved through the great uncertainty of the immediate Covid-19 period, and it is very much to be hoped that there is no recurrence of the health emergency, which at times felt like an existential threat to universities and wider society.

However, the prospect of a ‘business as usual’ period is not hugely attractive to UK higher education institutions.

There would appear to be little prospect that public funding of higher education will increase from the current nominal levels. The home undergraduate tuition fee has been set at £9,250 since 2017-18 and inflation particularly in the last two years has eroded the value of this sum. Funding from the Office for Students for teaching, and from Research England for research as a result of the Research Excellence Framework, seems also to be largely fixed in nominal terms, and certainly not reflecting inflation indexation.

While King's is by any UK measure one of the major earners of research grant and contract funding, for a long period we were bound by a ceiling of £200m income per annum. In the past two years, we have broken through this ceiling, and our income from research grants and contracts was £236m in 2022-23. It is also to be hoped that access to the EU Horizon research scheme agreed in 2023 will allow the revitalisation of pan European research work and networks. The financial returns from research do not cover the full cost of the activity, but an expansion of our research work within existing estate and facilities would very likely have a beneficial effect.

We are committed to giving our students an excellent teaching and overall student experience at King's, and for this to act as a springboard to a rewarding and fulfilling career, with our students taking the essential King's service ethos into the economy and wider society. Feedback from our students indicate that there is appreciation for the quality of our teaching and the direct interaction with King's academic staff. However, there are other areas of considerable concern, and we will be addressing these through a major transformation programme leading to greater and consistent Student Success. The transformation programme and the consequent changes to services to students and the ease with which our students can interact with King's will be expensive and the benefits will be seen gradually in the coming years.

King's has great inherent strengths in our central London location and our partnerships with high performing NHS Trusts on our joint health campuses. We have proved ourselves good stewards of this unique estate and we continue to enhance the physical environment with high quality additions and sensitive and creative renovations of the existing estate. There is a significant cost to developments in London and on already intensively developed sites, and recent construction cost inflation has outstripped general inflation. We will continue to pay a considerable premium for developments of our magnificent physical infrastructure.

For the past twenty years, there has been substantial compound growth in international students studying in the UK, and a consequent increase in the income earned from tuition fees from these students. As described above, King's has greatly benefitted financially from this long-term trend, as well as academically and in terms of the diversity of our community. However, the recent pace of expansion in student numbers will be very difficult to sustain. This will impact on our financial plans, and place greater emphasis on gaining the optimum productivity and efficiency from our academic faculties and professional services. We must be aware of a greater threat and risk than the mere slowing of the pace of expansion. We live in a much less certain international environment than the first two decades of this century. The belief in 'globalisation' has waned considerably and international relations are more likely than before to be couched in mercantilist, zero-sum terms.

This may lead to countries turning inwards, or into more confrontational blocs. The Russian invasion of Ukraine and the continuation of the war eighteen months after the invasion is an extreme example of this change in international relations. The post-Brexit position of the UK is still a work in progress, and ill-considered and inflammatory statements on migration and the inclusion of international students and their families in net migration figures can create the impression of an unwelcoming environment for our students.

If there was a fundamental reversal in the trend of international student recruitment, King's would be severely financially compromised. Undoubtedly, our financial strength, cash reserves, the medium to long term structuring of borrowings, our academic strength and our asset base would provide a substantial buffer to this shock, and buy us much more time to change our business model than would be available at the great majority of UK institutions. However, the change would be very substantial and would likely require a wholesale review of and significant changes to our strategy.

Within our budget allocations for 2023-24, King's has allocated a sizeable sum to allow us to support more intensely a large number of countries, while maintaining our support for the traditional markets. While we wish to diversify our markets, we also want to grow our student population, and new markets will be in addition to rather than supplanting our existing markets.

There has been one very favourable development in recent months. The funding of USS has been seen to be a very considerable risk to institutions, while any deterioration in the accrual of future benefits is resisted by those of our staff who are USS members. The scheme is now the largest private sector (i.e. not underwritten by government) pension scheme in the UK, and provides a range of defined benefit and defined contribution benefits to members. The scheme has consistently been in deficit since the rapid and sustained change in gilt rates after the 2008 financial crash and the policy of mass quantitative easing of the money supply. The USS Trustees have agreed through the governance arrangements of the scheme increases in contribution rates for both institutions and members, and after more recent valuations have also sought to reduce the risk on future benefit accrual by introducing a substantial defined contribution element to the scheme. The 2023 valuation has seen the incorporation of substantially higher gilt rates in the discount rates applied to future liabilities, and this has directly led to a surplus rather than a deficit in the scheme. The consultation on the impact of the 2023 valuation will conclude by the end of 2023, and this is likely to lead both to a restoration of the benefit levels to those applying before April 2022 and a substantial reduction in institution and member contribution rates.

Assuming that the consultation delivers these two changes, this will reduce the risk on USS for the medium term and potentially improve relations with staff as their overall reward from working at King's will improve with the USS changes.

Conclusion

The financial result for King's for the financial year 2022-23 show a very solid performance, which consolidates the recent financial gains. King's maintains a large cash balance and has established medium term plans to increase operating surpluses in order to fund transformational strategic investments.

The senior leadership and Council of King's are aware of the risks, both internal and in the external environment, to our plans and achieving our ambitions. King's has expanded rapidly in recent years, particularly in our student population, with a subsequent increase in academic and professional services staff to support this expansion. We are also fully aware that we must improve the student experience and that this will require change and investment.

The coming years will be testing for UK universities. King's faces the challenges from a very solid financial base and with a clear and ambitious strategy. As we approach the 200th anniversary of the establishment of King's, we remain confident that we can fulfil our core objectives in teaching, research and our service to our immediate community and the world.

Enabling student success

King's will enable success for an increasingly diverse student body through world-class education, designing this future with our students and staff.

King's supported more than 50,000 students throughout 2022-23 academic year across a broad range of academic levels and courses. Our students continue to benefit from cutting-edge curricula, research-led learning and our evolving teaching and learning spaces and technology. Our physical and digital assets are there to provide the environment and tools for their success.

The essential digital skills programme prepares students by supporting their academic, professional, and personal development, and building confidence in the digital world.

- ♦ 3,341 students enrolled into the Essential Digital Skills programme during the 2022-2023 academic year, with an overall satisfaction rate of 91%.
- ♦ 90% of students could apply what they learnt from the programme to their studies at King's, 80% reported using what they learnt to apply for jobs and further study, whilst 84% reported an increase in confidence in the digital world.

In 2022-23 we hosted 30 graduation ceremonies, with 11,533 graduates crossing the stage supported by 30,813 guests. This included the final groups of students that had been unable to attend an in-person ceremony during the pandemic. We hosted the first King's ceremony in Singapore giving the opportunity for in-person graduations for The King's College London Bachelor of Science in Nursing graduands at Ngee Ann Academy.

National Student Survey and Postgraduate Taught Experience Survey

King's achieved a 70% response rate in the National Student Survey 2023 (NSS); our highest response rate since 2016. Postgraduate Taught Experience Survey (PTES) response rates improved to 26% (3,672 responses). Our significant improvement in NSS response rates reflects a new strategic approach to surveys which engages students and staff in more coordinated ways, promotes how King's is acting on student feedback and works with faculties on introducing interventions which can improve performance.

King's achieved an average positivity score of 75% across core categories. Although not directly comparable due to methodology changes, this follows an overall satisfaction score of 71% in 2022. In PTES, overall satisfaction improved by 2% to 83% and overall King's ranks in the second quartile of institutions (50th out of 101 institutions which complete the survey).

NSS and PTES are sector-wide tools for understanding and responding to students. In addition, we centre our students experience and voice through partnership with the Student Union (KCLSU). The Student Voice Partnership Agreement has been agreed and endorsed by Council and senior leaders in both King's and the students' union (KCLSU), establishing a shared set of principles for engagement, levels and modes of representation.

Academic Excellence

Academic excellence continues to be supported by a broad portfolio of professional development for educators. Over 1,000 nominations were submitted by students for the King's Education Awards, with seven winners across six categories celebrating academics and support staff making a significant difference to the students' King's experience. In 2022-23 over 260 colleagues joined King's on the Academic Education Pathway, increasing the cohort to 460. A total of 54 projects were funded from the College Teaching Fund spanning across all Faculties, and over 203 colleagues were awarded a recognition of the Higher Education Academy with an awarding rate exceeding that of the sector and Russell Group averages.

Inclusive Education

Inclusive Education is an area of learning and teaching which has continued to gain momentum in recent years, as best practice is further embedded into current processes and policies. Conversations About Race, Civic Leadership Academy and Inclusive Education Student Partners have become well established tools for listening to students from minority backgrounds and supporting staff and students to co-create a more inclusive environment for all learners, with a particular focus on race equity. These activities are designed to improve the experience of underrepresented students, and to impact on outcome measures such as a reduction of the attainment gap.

Launched in 2020, the Race Equity & Inclusive Education Fund has awarded 12 grants (totalling £100,000) to activity to support creating a culture of inclusive education. REIEF enables staff and students to work on projects that directly impact the education and learning experience of students. Projects included a focus on improving the student experience and outcomes for Black STEM students and better understanding the learning environment for our international students.

In January 2023 the Inclusive Education Network was launched. IEN is a space where around 100 academics come together each month to share best practice across the College. Significant efforts have been taken to embed inclusivity and accessibility into our assessment design, localise the recently launched Digital Accessibility Baseline and adopt the QAA Inclusive Education Framework.

Mental Health and Wellbeing

The mental health and wellbeing of our students and our staff is a key priority at King's, as one of the core education strategic commitments in Strategy 2026. We have put significant effort and resource into building our longitudinal evidence base through annual surveys supplemented by focus groups so we can respond well to the needs of our students. In 2022-23, 5,000 students engaged in our second student wellbeing survey. Findings showed improvements for student experience compared to the previous year. For example, there was a 7% decrease in students' average level of stress and 5% decrease in feelings of loneliness. We have now been able to best capture findings on our students' sense of wellbeing and enhance our services as a response. Our Counselling and Mental Health Support team offer interventions including cognitive behaviour therapy, integrative or psychodynamic groups and individual therapy. In March 2023 the average waiting time between referral and first appointment had been reduced to 12 working days and waiting lists were very small, reflecting significant and sustained improvements in accessing support for students.

King's Sport and Wellness team continue to deliver a range of opportunities for students and staff to get involved in sport and physical activity, with an ambition to be the most active University in London.

There have also been a number of cost-of-living initiatives to support the equality and dignity of the whole student community. Recognising the scale and impact of cost-of-living challenges, King's has put together a £3m package of additional support to counter the detrimental effects for our students. Period products are available in select toilet facilities across campuses, King's Food has launched an affordable catering offer for students and staff and the King's Cycle to Work scheme offers staff a 25%-39% saving on a bicycle or accessories to travel for work. King's commitment to inclusion, sustainability and improving the health of the campus has been recognised by Quest (Excellence Award), the International University Sports Federation (Platinum) and UK Active (Highly Commended).

Graduate Outcomes

King's continued to perform highly in external metrics, ranking 7th in the latest Complete University Guide for 'graduate prospects' alongside reaching our highest ever rank (12th) amongst the universities targeted by the most employers. Additionally, the 2020-21 release of HESA's Graduate Outcomes Survey further underlined the positive destinations our graduates reached with 88% of respondents in work, further study or a combination of these, and 91% in 'highly skilled work'. Moreover, 87% of respondents deemed they were in employment 'meaningful' to them, placing King's equal fifth in the Russell Group.

More of our careers activity returned to campuses with students and researchers engaging in record numbers with 7,391 unique students attending over 180 in-person fairs, workshops and masterclasses alongside the nearly 300 virtual sessions and interactions since September 2022. We have expanded options for undergraduate industry placements to students in Business Management, Mathematics and Natural Sciences and supported over 250 students through these and our Accredited Internship modules embedded across 19 undergraduate and postgraduate programmes. The King's Parliamentary Research Internships programme has now seen 15 PhD students working directly with Peers on research framing policy in the House of Lords and 7,811 careers appointments have been held with students and researchers this academic year.

King's Edge, collating and curating extra-curricular provision across King's, held its first ever Festival in spring 2023 with 1,800 students participating in 21 events and activities delivered by partners across King's – equipping students to gain new knowledge, skills, attributes and experiences beyond their field of study through the lenses of climate and sustainability, wellbeing, entrepreneurship, volunteering and digital coding. In summer 2023, we supported a record 543 King's Undergraduate Research Fellows (KURF), and our Student Opportunities Fund has provided nearly £200,000 to individuals pursuing wider academic or professional development, including conferences, travel and technology.

Widening Participation

King's College London's Social Mobility & Widening Participation department has a comprehensive programme of activity engaging with young people across their time at school, alongside teachers, parents/carers and other supporters. This work reduces educational inequality and supports learners' development, attainment, confidence and access to King's and other selective universities.

King's approach draws on one of the largest research and evaluation teams in the country for Widening Participation. We are one of the only universities to use randomised controlled trials to test the effectiveness of our programmes to enable a stronger focus on impact. Findings from the trials will inform the whole sector and are shared via TASO, the independent hub for higher education professionals to access research in relation to access and social mobility.

Over 7,000 underrepresented young people from primary schools, secondary schools and post-16 education engaged in a range of activity throughout 2022-23. We have met or exceeded our ambitious access and participation targets in closing gaps in access and supporting students from less well-off backgrounds to benefit from a King's education. Our proportion of full-time, UK undergraduates from priority backgrounds is just under 50%, and we are on course to deliver the targets we have set with the Office for Students. New initiatives in 2022-23 have included an enhanced programme of Medicine & Dentistry lectures attended by over 2,000 students, expansion of our flagship K+ programme into parts of Kent and Essex and launching several new bursaries for students from marginalised backgrounds.

A thriving staff community

King's is building a thriving staff community in which everyone is respected and supported to develop their potential within a positive and inclusive culture.

Inclusion and belonging

Our people are key to King's success. Strategy 2026 set out our ambition to create a greater sense of belonging within and across our staff community. In 2022-23 we launched and implemented several priority initiatives to further promote equality, diversity and inclusion.

King's Disability Steering Group was relaunched to own, monitor and drive progress of our efforts to promote disability inclusion. Staff can now access enhanced support and guidance to enable workplace adjustments, campus accessibility and inclusive ways of working. A workplace adjustments passport programme has been piloted, and we are currently refreshing our training on disability awareness, reasonable adjustments, neurodiversity and disability discrimination, set for launch in early 2024.

Our staff community networks continue to flourish, comprising our: Gender Equality Network (Elevate), Race Equality Network (REN), Parents & Carers' Network (NEST), LGBTQ+ Network (Proudly King's), and Disability Network (Access King's). Each network now benefits from formalised recognition in the form of training support for network chairs and committee members, and an increased budget dedicated to supporting their work.

Additionally, we've introduced a new platform called Report + Support, designed to allow individuals to report incidents of inappropriate behaviour they have experienced or witnessed. Furthermore, we've expanded our Active Bystander Training programme, with plans to further embed it into the staff development lifecycle, including induction and promotion processes.

These initiatives complement our ongoing programmes of work on disability inclusion, race and gender equality (including pay gaps), and LGBTQ+ inclusion. You can read more about these achievements on page 25 in the EDI section.

Staff wellbeing and engagement

We are committed to providing an environment where wellbeing is prioritised, and King's values and behaviours are lived by all our staff. We continue to implement recommendations from the Staff Wellbeing Review carried out in 2022. Having reinstated and broadened the usage of wellbeing days in September 2022, we are now seeking to embed them into our standard staff annual leave offer from January 2024, to ensure all staff have equal access to them.

We have launched and continued to improve our Staff Wellbeing & Mental Health intranet pages to act as a one-stop-shop for staff seeking support for themselves and others. In January, we held a highly rated five-week Staff Wellbeing Festival, drawing upon internal and external expertise to host a range of learning, experiential and community-building activities, based upon King's Five Ways to Wellbeing. Mindful of rising Cost-of-Living pressures, we developed an online hub for staff to signpost support and guidance, including details of a newly launched interest-free short-term Staff Welfare Loan Scheme.

In March, we established the Staff Culture & Strategy Committee as a sub-committee of Council, with internal staff representatives and Non-Executive Council members coming together to provide advice and guidance on King's Thriving Staff Community agenda and ambitions.

In 2024, we will launch a Staff Wellbeing Network to strengthen communications, awareness and knowledge about mental health and wellbeing as well as contributing to policy and guidance across the staff and student experience.

Staff Survey 2023

In June, we launched King's Staff Survey 2023, the largest and most comprehensive engagement activity that we have ever conducted. 6,463 responses were received, representing a 60% response rate.

King's overall Staff Engagement Score – a key measure of the extent to which staff feel positively connected to their workplace – was 75%. Staff reported confidence and pride in King's, a strong sense of community, positive relationships within teams supported by effective line management, a genuine passion for the work they do and high levels of motivation to contribute to King's success.

Some areas need careful consideration and improvement. This includes accelerating our efforts to cultivate a positive workplace environment in which inappropriate behaviours like bullying and harassment have no place. While feedback on work life balance is favourable, we must do more to ensure that everyone has a manageable workload. We also need to ensure our processes are efficient and decision-making takes place at the appropriate level, improve leadership visibility and support career progression.

We are committed to taking local and University-wide action in direct response to the feedback, with teams now analysing the results and developing meaningful plans to enhance the staff experience.

Development and progression

King's is committed to empowering staff to build their chosen careers, both at King's and beyond, and across the range of job families and specialisms. We have expanded the volume and frequency of our leadership programmes to provide a second annual offering of Organisational Development's Emerging and Strategic programmes. Additionally, programmes for New and Aspiring Managers have been introduced to deliver training across all management levels specialisms. In 2024, a new Established Managers programme will be piloted to enhance the management training provision, as well as the continuation of the Personal Effectiveness Bootcamps, which allow all staff to focus on personal and professional development.

We are currently preparing to launch a dedicated women's leadership development and sponsorship programme in 2024, partnering with Advanced HE. A refreshed Career Essentials Hub was launched earlier in 2023, and we are further expanding our Professional Services focussed skills-led development portfolio to support staff to define and progress through career pathways.

We participate in the Aurora programme for women, and the StellarHE programme for leadership development programme for Black and minoritised ethnic academics, researchers and professional services staff. King's draws on research expertise in KBS and Institute of Psychiatry, Psychology & Neuroscience (IoPPN) to ensure world-class leadership and wellbeing offerings. The More than Mentoring Scheme continues to provide mentoring support, with a record number of applications in 2023.

Sustainable research and innovation excellence

Our enquiry-driven research delivers transformative insights and solutions that have the power to advance and accelerate global progress.

Research is a principal component of the University's mission, contributing both knowledge generation and societal impact. It underpins our objectives in education and service and secures our place as one of the world's leading universities.

Research England Quality-Related (QR) Grant

Following strong performance in the Research Excellence Framework in 2021, alongside continual improvement in other relevant metrics, our QR grant from Research England was £81.16m for 2022-23. This was supplemented by one-off uplifts of £5.79m. In addition, we received research capital funding of £7.40m, supplemented by a one-off uplift of £3.13m. King's was also allocated £1m for policy support, and £1m for research culture.

Research Income

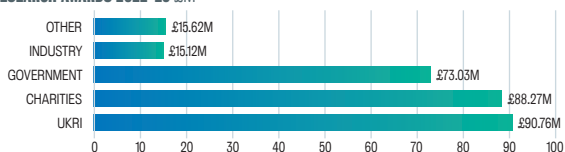
King's research has been on a rapidly growing trajectory over the last three to four years, following concerted efforts from academic leadership, academic staff and professional services. The research income received by King's for 2022-23 (based on actual spend on awarded grants from this and previous years) was £236m, an increase of 7% (£15m) on the previous year. This income was from sources including UKRI (29%), research charities (30%), Government (20%) and industry (10%), demonstrating a healthy diversity of portfolio and therefore likely resilience.

£49m of this income was for overheads, ensuring the financial sustainability of our research endeavour.

New Research Awards

In 2022-23, we have continued to perform extremely well in winning new research grants: we received £283m of new awards, approximately level with the previous year (-3%), and representing an increase of 10% on our three-year average. There were notable increases in awards from UKRI, and in awards to Institute of Psychiatry, Psychology & Neuroscience (IoPPN) and Faculty of Natural, Mathematical & Engineering Sciences (NMES). Note that last year’s new awards were artificially inflated by a £40m award for the Defence Academy.

NEW RESEARCH AWARDS 2022-23 £M



King’s also received a number of high-value research related awards that are not included in the above data due to sector regulations. These include:

- £11m from Research England’s UKRPIF research capital programme, to create a cutting-edge clinical research facility within the Pears Maudsley Centre for Children & Young People.
- NIHR Integrated Academic Training Programme – funding 24 clinical academic training posts for 2024 (and future years), with King’s ranking =2nd in the UK.
- ESRC London Interdisciplinary Social Sciences Doctoral Training Programme.
- £1m from Wellcome to support a strategic initiative to enhance our research culture, focused on under-represented groups in research.
- £1.5m ESRC Impact Acceleration Account (social science topics across the University).
- 2 NIHR Research Support Service (RSS) centres (combined value c.£15m).

Highlights

King’s secured a substantial number of “strategic” awards in 2022-23. A selection of these are listed below for illustration (noting that this is not a comprehensive list, and that some recent awards will contribute to next year’s figures):

- King’s will host the Office for National Statistics Economics Statistics Centre of Excellence (c.£8m) for 2023-2028.
- AI UK: Creating an International Ecosystem for Responsible AI Research and Innovation, led by Southampton (£5m to King’s), funded by EPSRC.

- European Research Council Synergy Grant (Global Institute for Women’s Leadership) for “The Quality of Women’s Political Representation” (€6.4M), alongside several other ERC awards in the Arts & Humanities, Law, Social Science, Life Sciences, Maths, Physics and more.
- National Total Body PET Centre (first in the UK), funded by MRC (£5m + £8m scanner).
- Wellcome LEAP awards in “dynamic resilience” of ageing (£6m).
- Bill & Melinda Gates Foundation award for brain imaging in global health settings (£5.2m).
- EPSRC have awarded us £2.6m to create the KHP Digital Health Hub – a national centre of excellence, combining training for academics and clinicians with entrepreneurship and commercialisation, patient engagement and co-creation, and creating connections for industry to accelerate patient benefit.
- Two NIHR Research Support Service (RSS) centres, forming a key part of national clinical infrastructure. One, led by King’s, will create a national centre of excellence for clinical research in mental health and neuroscience; the other, led by Imperial (King’s partnering) will provide cross-London infrastructure across all disease areas (combined value c.£15m).
- UKRI Dementia Research Institute Centre award (renewal), following five-year review and appointment of new Director (£9m).
- Five NIHR Policy Research Units (of which three led by King’s, two led by partners) (not included in figures).

King’s also received some excellent results in international rankings, in particular in the Times Higher Education Subject Rankings 2023: – King’s is 10th in the world for the top-level category Clinical & Health, 23rd in Arts & Humanities, 56th in Business & Economics, 32nd in Education, 19th in Law, 44th in Social Sciences, 39th in Life Sciences, and 8th in Psychology.

Commercialisation and industry partnerships

Industry Partnership and Translation Support

September 2022 saw King’s College London continue to rank among the top English universities in the Knowledge Exchange Framework (the annual assessment of higher education institutions that measures how universities transfer their knowledge to different types of partners in order to benefit the economy and society). King’s ranked in the top quintile (top 20% of the sector) for Research Partnerships (above the average for the peer group) and the top quintile for IP and Commercialisation and Working with Business (average for the peer group).

King's received £15.1m in new awards from industry in 2022-23, with examples below indicating the breadth of activity.

- The KCL-UCB Research Hub partnership continues to foster closer collaboration around basic medical and translational research, and this year saw the creation and implementation of a £1.8m research fellowship scheme.
- Unilever and King's have collaborated to provide expertise in a multi-University consortium to transform doctoral supervision, under the £4.6M UKRI Research England Development project 'Next Generation Research SuperVision Project (RSVP).
- A three-year partnership between the Dept of Physics and Edwards Ltd was initiated to develop a novel nano-sensor for vacuum pressure and gas flow measurements.
- Innovate UK-KTN Knowledge Transfer Partnership between King's Centre for Human & Applied Physiological Sciences and Honeywell UK Ltd on Pilot And Aircraft Monitoring To Inform Smart Life Support Systems (LSS) For Future Aircraft. This collaboration will develop and test systems to address a blind spot in aircraft design and flight safety management, by combining aircraft data with pilot data obtained from the latest wearables tech. The project will transfer and embed technology within Honeywell that will be needed in the development of future aircraft and spacecraft.

The creation of Innovation@King's is seeing closer collaboration between the Industry Partnering, IP & Commercialisation and Translation support teams.

One such example is the recent strategic collaboration with Apollo Therapeutics. This has resulted in over 60 reviews of research activities in the therapeutics area as possible investments, with eight progressing to deep diligence and resulting in four strategic research collaborations in its first year of operation (circa £1m cash & in kind), with further projects in the pipeline. This is a good example of supporting our early-stage IP pipeline, obtaining venture investment and seeing projects tailored to meet commercial development goals.

In addition, our own independent Translation support efforts have seen many project applications supported and £6 million in new academic awards in 2022-23. The awards cross oncology, biomedical engineering and digital mental health and include projects nurtured. Highlights include:

- Minimal Motion System for MRI (MR MinMo): Carmichael (£1m, NIHR) – a hardware solution solving the problem of image data loss from MRI caused by subject movement, developed in partnership with Birkbeck and A94 Technologies, specialist manufacturer.

- Developing, optimising and implementing a blended digital self-management tReatmEnt for FatigUe in multiple sclerosis (REFUEL-MS): Moss-Morris (£2.3m, MS Society & NIHR) – a new online programme blending physical activity and cognitive behavioural therapy with advice from physiotherapists and occupational therapists, driven by MS patients.

Commercialisation

Although a less active year than last, when measured by equity volume, King's ranked fifth in UK and first in London, at £245m, with continued formation of new ventures and licence transactions.

- The King's spinout Quell Therapeutics entered into an agreement with AstraZeneca to develop, manufacture, and commercialise engineered T-regulatory cell therapies for autoimmune diseases (such as Type 1 diabetes (T1D) and inflammatory bowel disease (IBD)). Quell will receive an \$85 million upfront cash and equity investment from AstraZeneca. Quell is also eligible to receive over \$2 billion for further development and commercialisation milestones and royalties, if successful. The collaboration combines Treg cell engineering and manufacturing expertise of Quell with AstraZeneca's developmental, commercial, and therapeutic capabilities.
- Cytolytix Limited was a new company formed in partnership with ValiRx plc to progress the preclinical development of its triple negative breast cancer treatment, CLX001 based on IP licensed from King's College London based on the work of Martin Ulmschneider and Charles Chen from the department of Chemistry (NMES)
- Hypervision Surgical Ltd, a spin-out company emerging from the work of Seb Ourselin, Tom Vercautern and Michael Ebner in the School of Biomedical Engineering & Imaging Sciences combined medical imaging technology and artificial intelligence (AI) to secure a seed investment of £6.5 million to develop real-time tissue analysis in the operating theatre that aims to make surgeries more precise, safer and faster.
- Theragnostics Ltd, a spin out formed by Greg Mullen (Imaging Sciences) and to which King's licensed the Galli® imaging biomarker technology at the centre of Theragnostics' proprietary platform was acquired by German private company Ariceum Therapeutics (Ariceum).
- Isolex Ltd, a sub-licensee of King's formed following the licensing of patents claiming IgE modulating technology by King's to Combikine Ltd, has entered into a collaboration and option agreement with the Spanish pharmaceutical company Almirall Ltd, specialising in dermatological diseases, to develop a novel class of medicine that modulates Immunoglobulin E to treat inflammatory skin disorders.

- Zeus is a spinout formed in collaboration with GSTT NHS Trusts and Morgan Innovation & Technology Ltd. to develop a device to treat obstructive sleep apnoea (OSA) and snoring has successfully completed CE marking of the device and launched sales in the UK.
- PulseON Foods Ltd, a new venture formed by King's together with the Quadram Institute and New Food Innovation to support the commercialisation of its unique, whole-cell pulse flour signed a manufacturing agreement with EuroSpid, an Italian based food producer.

King's, together with other partners within the MIROCALS consortium signed an IP license agreement for the development of a low-dose Interleukin 2 as a potential treatment for amyotrophic lateral sclerosis (ALS) with French biotech ILTOO Pharma.

Knowledge with purpose: service and impact

How we are using our assets and values to address the world's toughest challenges and shape a better future

For almost two centuries, King's has championed the ethos that knowledge can – and must – be used to improve the world around us. This is why service is a third and equal part of our academic mission, alongside education and research.

Over the past year we have continued to deliver on this ambition. We've bolstered the sustainability of our operations (page 26), developed a diverse range of community initiatives and social-impact programmes and pioneered new collaborations to respond to critical global challenges.

King's vision for a global difference

Strategy 2026 sets our ambition to be impact-driven in all that we do, using our collective assets and capabilities to make a positive difference in the world. To achieve this, King's has developed a University-wide approach that unifies our research, education, service and engagement activities by:

- Championing and exemplifying positive impact across five pressing global challenges
- Cultivating an impact-driven culture at King's by uniting disciplines, professions and communities

To develop this approach, academic and professional services staff, students, community members and external partners participated in a collaborative consultation process. Five pivotal challenge areas where King's can offer a distinctive and meaningful contribution were identified:

- Climate action and sustainability
- Equality and social mobility
- Good mental and physical health
- Living well with technology
- Peace and justice

The programme amplifies existing activities while building a coordinated portfolio of work that is rooted in social purpose and spans departments, faculties and professional services. It will convene academia, corporations and governments to drive impact in five streams:

- **Culture:** ways of working with impact at the heart of what we do inside and outside of King's
- **Learning:** ethos and setting the standard on impact skills in how we teach, conduct research and lead
- **Investing:** prototype challenge solutions, investing in the best of academic, non-profit and corporate innovation with policy and practice opportunities
- **Space:** establish a digital space to convene changemakers and share good practice, alongside physical spaces across London to showcase impact
- **Monitoring:** link impact to better society and business outcomes and evaluating ourselves

A dedicated investment fund is planned to accelerate the programme. It will bring together academics, professional services staff, students and partners to pilot integrated approaches that address the five challenges.

Engaging our communities

Our partnerships locally, nationally and globally deliver on our commitment to service and impact. They are built on collaboration, learning and co-creation to facilitate positive change.

A culture of volunteering

King's Volunteering, launched in June 2022, brings our people and partners together through community service. Since its launch, King's Volunteering has partnered with over 100 different third sector organisations, engaged over 1,500 students and staff, tracked over 3,000 hours of service into the community and hosted King's first Volunteer Fair in January 2023 with 30 organisations represented. The team have also worked to embed volunteering across existing programmes of delivery, including the Associate of King's College London programme, King's Move rewards and King's Experience Awards.

Supporting forcibly displaced academics and students

King's sector-leading initiative, the Sanctuary Programme, connects education, research and social and policy impact initiatives to tackle the pressing global challenge of forced displacement. Its innovative University Sponsorship Model, a framework developed by King's and expanded in partnership with the Open University, Newcastle University and University of Leicester in 2022, has supported over 60 individuals impacted by the war in Ukraine. A further 38 scholarships and 10 fellowships for students and academics impacted by the war have been awarded across the partners. The model is now being developed to support forced migrants worldwide.

To further support collaboration across the sector, King's co-founded the UK Higher Education Humanitarian Group with the University of Edinburgh in June 2023, advance, coordinate and catalyse support for forcibly displaced academics and students.

Expanding education opportunities for young Africans

King's collaborated with Nigerian philanthropist and lawyer, Aare Afe Babalola, to establish the Afe Babalola African Centre for Transnational Education. It aims to broaden education opportunities for young Africans, empowering them to make significant contributions to their communities and the global arena. The centre offers blended and online programmes, ensuring accessibility for students whose path to higher education has been interrupted by conflicts, displacement or other transitions. Aare Afe Babalola's generous £10m donation will fund scholarships to assist promising students who might otherwise be unable to participate. A sustainable programme of global education and collaboration, it aims to share best practice, develop new approaches to learning and benefit generations to come.

Our impact in London

King's work across London serves to enrich and strengthen the vibrant civic community of which we are a part.

Celebrating London's entrepreneurs

In March, over 200 students took part in Venture Crawl 2023, the Entrepreneurship Institute's popular annual event that invites King's students to experience entrepreneurship first-hand by connecting to real-world London businesses, hearing from founders and CEOs and developing their entrepreneurial skills.

Understanding hybrid working and the future of employment in London

Work/Place: London returning, led by the Policy Institute at King's and King's Business School, seeks to understand how Covid-19 has altered the way Londoners work and explore what the future of employment in the city will look like.

Reducing health inequities for locals in Lambeth
Researchers from the NIHR Policy Research Unit in Health and Social Care Workforce at King's joined Lambeth Council, Black Thrive Global and residents in a collaborative research effort to understand the driving factors behind health disparities in the borough and improve the health and wellbeing of the community's residents.

Launching mental health space for our communities

King's Social Mobility & Widening Participation department has launched Be Well Hubs across local schools in Southwark and Lambeth in partnership with South London Listens and Citizens UK. They aim to destigmatise mental health challenges, extend support and provide a space for young people to discuss their experiences of mental wellbeing.

Exploring the ethics of Artificial Intelligence
Science Gallery London's newest exhibition and events programme, 'AI: Who's Looking After Me?', is a collaborative exploration of AI ethics. It leverages varied life experiences to shed light on the multifaceted impact of artificial intelligence on our lives, inviting visitors to contemplate the implications of entrusting care to autonomous machines.

Pedestrianising the heart of London

King's collaborated with Westminster City Council on their ambitious redevelopment of Strand Aldwych. One of the capital's most congested and polluted streets has now been transformed into a pedestrian-friendly, vibrant space for students, staff and Londoners at the heart of King's Strand Campus.

Expanding access to justice

King's Legal Clinic offers free legal advice to our local communities from Law students who are guided by experienced lawyers and solicitors. This includes a new housing advice service which advises clients on issues such as homelessness, overcrowding and poor housing conditions.

Buying locally

King's purchases third party goods and services in ways which are beneficial to society and our local communities in our home boroughs of Lambeth, Southwark and Westminster (see page 27).

National

We are committed to working across the UK to increase the potential benefits of our combined impact going forward.

Collaborating to drive innovation in digital healthcare

Supported by investment from the Engineering and Physical Sciences Research Council, King's Health Partners Digital Health Hub will accelerate digital innovation in healthcare. The cooperative hub will bring together UK organisations to advance state-of-the-art technologies.

Investment into mental health and neuroscience research

The National Institute of Health and Care Research (NIHR) has awarded £6.8 million to King's to establish a Research Support Service focused on mental health and neuroscience. It is a collaboration with UCL, University of Leeds, University of Oxford and Greater Manchester Mental Health NHS Foundation Trust to provide specialist support in research methodology.

Investing in responsible AI research and innovation

Funded by a £5m grant from UKRI, King's is part of a cooperative research initiative to understand the principles, development and safe regulation of responsible AI. It forms part of a £31m award, led by the University of Southampton, to create an international research and innovation ecosystem for responsible AI that responds to societal need.

Improving energy efficiency of UK telecommunications

King's is part of a £12m government-funded project led by the 5/6G Innovation Centre at the University of Surrey. 'TUDOR' (Towards Ubiquitous 3D Open Resilient Network) focuses on enhancing sustainability and energy efficiency in UK mobile networks to make telecommunications more secure, sustainable and accessible across all regions.

Empowering parents and carers

Parent Power, established by King's and Citizens UK, empowers parents and carers from underprivileged backgrounds to enhance higher education prospects for their children. Engaging over 350 parents and caregivers from London and across the UK since 2017, King's has now partnered with The Brilliant Club to roll out the initiative to cities nationwide.

Inspiring education through prehistoric teeth 'ROAR' aims to increase awareness of university, STEM and healthcare subjects in areas with low participation, using dinosaur teeth as teaching tools. It engages primary school children in regions with low higher education and STEM involvement. King's undergraduate student volunteers delivered workshops at Chattenden Primary School in Kent and the programme has now been extended to schools across Medway.

Global

King's works collaboratively in every region of the world, through the development of equitable partnerships with like-minded institutions. This commitment to international collaboration provides enriching educational experiences and supports joint research that contributes to the prosperity of local and global communities.

Celebrating 10 years of transCampus

King's recently celebrated a decade-long collaboration with Technische Universität Dresden in Germany. Made possible through the transCampus strategy, rooted in cooperation and dedication to collaboration, it engages in the recruitment and training of students from around the globe, specialising in fields encompassing medicine, biology, technology, engineering and communication sciences.

Renewing our partnership with Ngee Ann Academy

Our partnership with the Ngee Ann Academy, a leading private education Institution in Singapore, will continue to deliver King's BSc Nursing with Honours programme for a further five years. Established in 2018, the programme was developed from a joint vision to offer qualified nurses in Singapore the opportunity to gain a highly regarded degree in Nursing whilst working in the country's healthcare sector. It is now in its fifth year, with more than 600 enrolments.

Tackling global security challenges

Our PLuS Alliance academic partnership between King's, Arizona State University and the University of New South Wales has been renewed. A key project is Security & Defence PLuS which provides independent understanding of national and global security issues and enables deeper integration of security and defence priorities centred in the AUKUS trilateral security pact.

Addressing critical global challenges

King's is part of Clusters of Research Excellence, which unites researchers from Europe and Africa. The group aims to pioneer innovative solutions to challenges confronting both continents, while catalysing opportunities for investment in societal advancement. Seventeen clusters were announced in June 2023, followed by three more in September 2023.

Developing higher education in Telangana

The Government of Telangana has agreed a Memorandum of Understanding (MoU) with King's, setting out a joint intention to develop higher educational provision within the Telangana Pharma City. This will involve collaborative research projects, staff and student exchanges, as well as curriculum development and upskilling.

Enhancing research and development opportunities for Ugandan students

Under the Association of Research Universities in Africa (ARUA), King's has entered a partnership with Makerere University to deliver engineering scholarships to Ugandan students, facilitate important cross-continental research collaborations and improve educational opportunities in the region.

The three enablers

Our four strategic goals are supported by three key enablers, which set out how we intend to support delivery of our strategy.

- We are working towards a *Simple, Nimble and Effective King's*: improving consistency, addressing complex processes and enhancing our systems and services.
- We are working towards a *Physical and Digital Estate which is Integrated and Accessible*, evolving our estate to meet the changing needs of students, staff and community.
- We are ensuring we have *Sustainable Finances* through growing and diversifying our income streams and improving value for money of our estate and services.

Going Concern

The senior officers of the University and Council, as is their responsibility, have considered the going concern status of King's, and are confident the University is, and will continue to be, a going concern for the foreseeable future (defined externally as a period greater than 12 months from the approval date of these financial statements). These financial statements have therefore been prepared on a going concern basis.

In coming to this conclusion, the senior officers and Council have taken the following actions:

- Prepared detailed income and expenditure, and cash flow budgets and forecasts for the 2023-24 financial year, with due regard to sensitivity of income to home and overseas student numbers.
- Prepared prudent income and expenditure, cash flow, and balance sheet forecasts for a period of five years and these will be shared with the Office for Students.
- Calculated and reviewed debt covenants on both an actual and forecast basis five years from the balance sheet date, to ensure it will not breach them based upon the University's financial strategy and plan.
- Reverse stress tested the University in a number of scenarios to see under what circumstances it would face an existential risk, including what would lead to a breach of debt covenants, or cash held being insufficient to meet payroll. With a mitigation plan devised for these circumstances.
- Had all budgets and forecasts scrutinised by the University's Finance Committee which has expert independent members.
- Considered the solvency and liquidity position of the University and the availability to it of debt finance as required, including active management of its credit rating (as provided by Standard & Poor's).

- Working with Standard & Poor's to ensure a fair review of our credit rating (AA-) and outlook (Stable)
- Considered the severe but plausible downsides the University may be faced with in the foreseeable future.

King's is in a strong financial position, and in our detailed financial and operational planning for the coming four years, we see considerable safety margins in our cash holdings, which were £377m at the balance sheet date. Although we believe that external loan finance would be available to us, we do not see any prospect of us taking further borrowing for at least the coming three financial year.

Forecasts

As described above, King's has brought operational and financial closely together in a rolling three-year plan. This establishes the expected activity – in terms of student numbers, research grants and contracts and other income, cost envelopes and target overall financial performance for our constituent academic faculties and professional services directorates.

In each year, King's is expecting a marginal improvement in financial performance, leading to a surplus of 6% of turnover (before depreciation) in 2025-26. Further improvements in performance will be brought into subsequent rolling three-year plans, with a view to sustaining a minimum surplus of £100m (in 2022-23 real terms) by 2028-29.

It is calculated that this would represent 7.5% of turnover before depreciation.

This level of surplus will be needed to fund our likely strategic ambitions for our estate, digital, academic and staffing developments. We believe that investment spending of £100m per annum (real terms 2022-23) is needed and appropriate for a world leading university of our scale based at the heart of London.

King's has expanded significantly in the last five years, and it is expected that expansion will continue, and that we will begin to gain the benefits of earlier investments in staffing and capacity. However, we are mindful of the risks of over-reliance on our success in an increasingly competitive market for students and research funds. Consequently, we will be seeking productivity gains in the future, and will seek to respond to the concerns raised by our staff community over the inefficiency of some of our systems and processes. We will also benefit as previous and new investments come to maturity and deliver the benefits included in the case for investment.

Severe but plausible downsides

For a risk to be an existential going concern issue it would likely need to lead to one of the following scenarios;

- The University breaches the terms of its registration with the OfS and loses the right to award degrees or receive funding through the student loans system
- Cash falls to a level where the University can no longer meet its financial obligations, as they fall due
- The University breaches its loan covenants and is then not able to renegotiate new terms with lenders meaning that the debt falls due, and the University is unable to make payment
- Permanent or long-term loss of access to key, teaching, research, and administrative facilities
- Based upon our going concern review, no risk is currently considered to put the University into one of the above positions.

Mr Stephen Weiner

*Treasurer and Chair
of Finance Committee*

Malcolm Ace

*Vice President (Finance)
& Chief Financial Officer*

Corporate and social responsibility

Equality, Diversity & Inclusion

Equality, Diversity & Inclusion (EDI) is a central tenet of King's Strategy 2026, which commits to fostering a thriving staff community. Our priorities include diversifying the staff team, as well as tackling the Black, Asian and Minority Ethnic attainment gap. As well as embedding EDI into its organisational strategy, King's makes use of external expertise to provide a framework for progressing our goals, such as Athena Swan, the Race Equality Charter, Stonewall, Business Disability Forum and Working Families.

We are proud of the progress we have made and remain committed to investing in the future of all staff so we can flourish personally and professionally, while being respected, valued and challenged to be our best.

Disability Inclusion

Disability Inclusion remains a priority and increased resource has been allocated via a new role of EDI Manager – Disability Inclusion in the EDI team. The Disability Inclusion Hub has been updated to include improved guidance for staff around workplace adjustments, campus accessibility and inclusive practice. Alongside improved guidance, work is underway to improve the adjustments processes for staff at King's, including the development of a Staff Adjustments Passport scheme, due to be piloted in early 2024. The EDI team and the Disability Support & Inclusion team (Student Services) are also working collaboratively to launch the Hidden Disabilities Sunflower scheme at King's in autumn 2023 to raise awareness of hidden disabilities and to support our staff and students. The Disability Inclusion Steering Group and Senior Sponsor, Professor Richard Trembath, continue to provide leadership in this area.

Race Equality

We continue to progress our race equality work through our [Race Equality Action Plan](#) (REAP) and are in the process of reviewing it to ensure all actions remain fit for purpose. In order to embed this work into our business as usual, we have developed (and consulted on) a Race Equality Maturity Model, which is a framework for measuring King's progress in the context of race equality and to identify priority areas of work. We will now be working with key stakeholders to ensure effective implementation.

We are part of a number of leadership and mentor schemes that endeavour to support staff with protected characteristics. Our More than Mentor scheme received 275 applicants, and 17 members of staff are participating in Stellar HE, a leadership development programme for Black and minoritised ethnic academics, researchers and professional services staff. 36 members of staff are participating in B-Mentor (either as a mentor or mentee), a cross institutional mentor scheme for Black and minoritised ethnic staff.

Racial diversity amongst academic staff decreases with seniority. We know there is work to do along all stages of the pipeline, however our current focus is on implementing positive action at the beginning through the development of a mentor scheme for students from minoritised ethnic backgrounds who are considering a career in academia.

Many of the actions in section three of the REAP (attracting, appointing and investing in talent) centre on recruitment. We have piloted a scheme to diversify interviewers by supporting the Entrepreneurship Institute to invite a volunteer onto their recruitment panel. We are now developing a toolkit so other areas of King's can do the same.

LGBTQ+ Inclusion

King's is committed to providing an outstanding staff and student experience, underpinned by inclusivity, equity, diversity, and opportunity for everyone – regardless of sexual orientation, gender identity or trans identity/history.

The University became a Stonewall Diversity Champions member in 2016. Stonewall runs the Workplace Equality Index, a cross-sector benchmarking self-assessment for organisations to gain an insight into how LGBTQ+ inclusive their policies, processes and practices are.

We continue to build our LGBTQ+ Toolkit, providing resources to support our people and to provide guidance to line managers an example such as our Trans Inclusion Toolkit. This includes personal tutors supporting trans students and line managers supporting trans staff. The toolkit is regularly updated.

Gender Equality

We continue to progress our commitment to Gender Equality and have adopted the Athena SWAN self-assessment framework to help us understand and develop gender equality (including trans equality) across the institution. We continue to grow our talent pool through Aurora leadership programme for women.

We recognise that flexible working can support our people both their professional and personal lives. All staff regardless of length of service may ask to work flexibly, and we are committed to agreeing to requests if they meet the needs and objectives of both the individual and the University.

King's is committed to providing a working environment and culture that supports parents and carers. This includes generous parental leave and pay, sharing parental leave, preparing to return to work, options to maintain a work/life balance and childcare and a number of support options if you are a carer for a dependant who is affected by a long-term physical/mental illness or disability, addiction or issues relating to old age.

Bullying and Harassment

King's is committed to protecting the dignity of all our staff in their work and interactions with others. This includes providing a working and learning environment that is free from bullying, harassment, sexual misconduct and hate crime.

Anonymised data from Report + Support will be shared with Faculty leadership teams to inform a proactive and strategic approach to intervention and prevention. The EDI team works with HR and Faculty and Departmental leads to design and deliver targeted interventions in response to the data and local knowledge of problematic cultures.

We will continue to develop our Active Bystander training. Further, as more reports are made which require potentially difficult conversations or which highlight areas of concern more broadly, one area of focus will be on creating safe spaces for discussion. We will also be developing and utilising Culture Shifts new campaign on allyship.

King's Balanced Scorecard

King's reports on both its gender and ethnicity pay gap. Our figures in March 2022 show that our mean gender pay gap is 15.1% (0.3% increase on 2021) and our mean ethnicity pay gap is 17.9% (1.2% decrease on 2021). The table below outlines our progress towards our success measures relating to staff demographics.

KPI	2022-23 (in-year)	2021-22	Target (2022-23)
Senior female academic staff %	42.20	40.4	43.9
Senior female professional services staff %	53.93	51.8	51.4
Black and Minority Ethnic (BME) academic staff %	23.63	22.7	23.1
BME professional services staff %	23.95	23.4	23.6
Female BME academic staff %	11.53	11.2	12.2
Female BME professional services staff %	14.99	14.2	13.8

Sustainability

Driving forward the pace of research, education and action to enable a societal transition to environmental sustainability is a whole-University strategic priority through King's Strategy 2026, committing almost £6 million of our core funds to this. Professor Frans Berkhout was appointed as Assistant Principal ([King's Climate & Sustainability](#)) in February 2023 to lead this cross-University drive to scale King's response to the climate emergency.

We have already made strong progress to embed sustainability into our operations, have a respected climate research programme and offer online sustainability education to all students and staff. In 2022-23, we continued working towards our ambitions.

[King's Climate & Sustainability Action Plan](#) was published in February 2023 after year-long consultations with students, staff, alumni and members of [King's Climate Action Network](#) (King's CAN). The plan sets new targets across 13 key impact areas, including at least a 25% reduction in carbon emissions by 2025 and a 50% reduction by 2030 across energy use, business travel, our supply chain, commuting and waste. The plan includes our ambition to reach net zero and prioritises the absolute reduction of carbon emissions over offsetting and carbon removals.

The Estates & Facilities Environmental Management System was re-certified to the ISO14001:2015 standard following an external audit in May 2023. We continued to improve the sustainability of our operations, reducing our electricity, gas and water usage, as well as waste production. Our Heat Decarbonisation Plan sets out how we will reduce emissions from heating our buildings over the next 20 years and a new strategy developed by Estates & Facilities further embeds sustainability into our capital projects. Net zero has been integrated into the scope of the University's Audit, Risk & Compliance Committee. King's continues to have Fairtrade University status and King's Food received an overall score of 80% in the 2022 Sustainable Restaurant Association's Food Made Good rating.

Students and staff continued to engage with sustainability. The [King's Climate Action Network](#) grew to 433 members and the [Sustainability Champions](#) programme, now including 366 staff Champions, saw 39 staff teams receive Gold, Silver, Bronze or Foundation Awards in 2022-23 for making positive and sustainable changes to their work environments. King's annual [Climate & Sustainability Month](#) welcomed more than 800 students, staff and alumni to 39 social and educational events. Across 2022-23, King's Climate & Sustainability organised 194 hours of events, reaching 2,178 people.

Education for Sustainability is being driven through innovative modules across faculties, as mapped out in the 2022 Education for Sustainable Development (ESD) review. The co-created, open access online (KEATS) [module on Sustainability & Climate](#) offers the entire King's community the opportunity to learn more about and take action on sustainability and climate. In 2022-23, 997 students and staff enrolled on and 281 successfully completed the module. By 2026, we aim to provide environment, climate and sustainability taught education for all King's students.

Strengthening our research on climate and sustainability is a strategic priority for King's and we have committed new funds to help connect and scale research across all faculties over the next three years. In 2022-23, new centres and networks were established – Net Zero Centre (led from Engineering) and Centre for Sustainable Business (King's Business School) – and a brand-new King's Climate & Sustainability Seed Fund was launched to help develop new interdisciplinary research and partnerships.

[King's Ethical Investment Policy](#) commits the University to no direct investments in tobacco and to divest from all fossil fuels by the end of 2022. We substantially achieved our divestment target, but a secondary screening of funds showed 0.2% of the fund which could be defined as fossil fuel investment. This investment was sold after the balance sheet date. We have also excluded armaments from our funds. The Finance Team has now met the target to invest 40% of its funds in investments with a positive purpose and King's only purchases green bonds to raise debt. The policy is due for review, which provides an opportunity to set new targets and further embed sustainability principles.

King's regularly monitors its progress against a range of sustainability targets: from managing our estates and providing sustainable food to engaging with our local communities and driving Education for Sustainability. Find out more in [King's Environmental Sustainability Reports](#).

Socially Responsible Procurement

King's Socially Responsible Procurement Strategy (kcl.ac.uk/governancezone/finance/socially-responsible-procurement) seeks to ensure that we buy third party goods and services in ways that are beneficial to society, especially in our local boroughs of Lambeth, Southwark and Westminster. As a member of Social Enterprise UK, we strive to award contracts to Social Enterprises that reinvest their profits towards social and environmental sustainability objectives that match our own. Our ambition is to increase number of companies in our supply chain that offer us societal benefits and to ensure our supply chain is ethical and responsible. To support these objectives, we have invested in tool that allows us to better identify and manage risks to ensure our supply chain is ethical and responsible.

Ethical Investment Policy

King's has an ethical investment policy [Ethical Investment Policy – King's College London](#). King's believes that the successful management of environmental, social and governance (ESG) issues is fundamental to creating value for investors. Companies that are successful in avoiding ESG risks tend to outperform in the longer term. King's expect its investment managers to engage with companies through the judicious and transparent use of voting rights and informal dialogue to encourage better management of ESG risks and opportunities. This should include consideration of key ESG issues such as: Climate Change, Ecosystem Services, Environmental Management, Labour Standards, Human Rights, Public Health, Corporate Governance, Business Ethics and Sustainability Management and Reporting, including those companies in supply chains.

Modern Slavery Act

King's conducts its business in compliance with the provisions of all applicable legislation and operates a zero-tolerance policy towards non-compliance with the Modern Slavery Act 2015. As such, the University is committed to ensuring that mechanisms are in place to prevent business being undertaken with an organisation that has not adopted appropriate steps to ensure that Modern Slavery is not present in any of its supply chains. King's has also formed a partnership with Electronics Watch, the human rights monitoring organisation, to improve transparency of the electronics supply chain at King's.

King's College London seeks written assurances from prospective suppliers regarding their compliance with this legislation.

Further information can be obtained from the [King's Transparency Statement](#) and [Policy](#).

Council and Council committee membership

Members who served during 2022-23 and to the date of signing the Financial Statements

Council

Member	Period of office
The Rt Hon the Lord Geidt GCB GCVO OBE QSO FKC	Chair since 1 August 2016
Professor Shitij Kapur MBBS PhD FMedSci(UK) FAAHMS (AUS)	Ex officio since 1 June 2021
Alizeh Abrar	Ex officio since 1 August 2023
Vivek Ahuja	Since 1 August 2020
Dr Natasha Awais-Dean	Since 1 August 2022
Tom Berry	Since 19 January 2023
Paul Cartwright	Since 1 August 2019
Dr Hillary Briffa	Since 3 November 2021
Donna Catley	Since 1 January 2022
Sir Jon Coles	Since 1 August 2019
Michael D'Souza	Honorary Treasurer 1 August 2016 to 31 December 2022
Paul Goswell	Since 1 August 2015
Vinay Jha	Since 1 November 2022
Mohd Yasir Kahn	Ex Officio from 1 August 2022 to 31 July 2023
Sir Ron Kerr CBE FKC	Since 1 August 2019
Stephen Large FKC	Since 2 April 2020
Professor Rachel Mills	Since 1 November 2022
Professor Kim Piper	Since 1 August 2022
Clare Sumner CBE	Since 1 August 2019
Steven Suresh	Ex Officio since 1 August 2023
Professor Richard Trembath	Since 1 August 2021
Nhuoc Lan Tu	Since 23 March 2016; Vice-Chair since 1 August 2021
Stephan Weiner	Honorary Treasurer since 1 January 2023
Professor Evelyn Welch MBE FKC	From 1 August 2013 to 31 August 2022

Chairs' Committee

Member	Period of office
The Rt Hon the Lord Geidt GCB GCVO OBE QSO FKC	Chair since 1 August 2016
Professor Shitij Kapur MBBS PhD FMedSci(UK) FAAHMS (AUS)	Ex officio since 1 June 2021
Paul Cartwright	Ex officio, since 1 August 2019
Michael D'Souza	Ex officio, Honorary Treasurer since 1 August 2016
Paul Goswell	Ex officio, since 1 August 2015
Clare Sumner CBE	Ex officio, since 1 August 2021
Nhuoc Lan Tu	Ex officio, since 1 August 2021
Stephan Weiner	Ex officio, Honorary Treasurer since 1 January 2023

Finance Committee

Member	Period of office
Michael D'Souza	Chair and Honorary Treasurer from 1 August 2016 to December 31, 2022
Stephan Weiner	Chair and Honorary Treasurer since 1 January 2023
Professor Shitij Kapur MBBS PhD FRCPC FMedSci(UK) FAAHMS (AUS)	Ex officio since 1 June 2021
Malcolm Ace	Ex officio from 1 June 2023
Diego Cervantes-Knox	Since 1 April 2022
Sir Jon Coles	Since 1 March 2021
Beatrice Devillon-Cohen	Since 1 August 2019
Professor Paul Guest	Since 1 April 2022
Debbie Gupta	Since 1 January 2022
Philip Keller	Since 1 August 2019
Annie Kent	Ex officio, from 1 March 2020 to 31 May 2023
Stephen Large FKC	Ex officio, since 2000
Isabel Neumann	Since 1 August 2019
Keith Nichols	Since 1 January 2022
Nicky Richards	From 1 August 2019 to 31 December 2022
Andrew Scott	From 1 April 2015 to 31 December 2022

Audit, Risk & Compliance Committee

Member	Period of office
Paul Cartwright	Chair, since 1 August 2019
Julienne Daghish	Since 1 August 2017
Dr Aleksander Ivetic	Since 1 August 2020
Waseem Malik	Since 1 August 2020
Julie Moonga	Since 1 November 2022
Professor Kim Piper	Since 1 November 2022
Nhuoc Lan Tu	Since 1 February 2017
Sarah Wilkinson	From 1 August 2017 to 31 July 2023

Investment Subcommittee

Member	Period of office
Simon Pryke	Member since 1 April 2015, Chair since 1 August 2020
Professor Marion Thain	Principal's Designate since 1 August 2021
Malcolm Ace	Ex officio, from 1 June 2023
Simon Cruickshank	Ex officio, from 1 June 2019 to 30 June 2023
Mouhammed Choukeir	Since 1 August 2019
Rob Gambi	Since 1 April 2015
Gary Greenberg	Since 1 August 2019
Annie Kent	Ex officio, from 1 March 2020 to 31 May 2023
Nicky Richards	Since 1 August 2020
Nick Wood	Since 1 August 2019
Joseph van Zanten Gallagher	From 8 March 2018 to 31 July 2023

Estates Strategy Committee

Member	Period of office
Paul Goswell	Chair since 1 August 2015
Professor Shitij Kapur MBBS PhD FRCPC FMedSci(UK) FAAHMS (AUS)	Ex officio since 1 June 2021
Malcolm Ace	Ex officio since 1 June 2023
Stephen Clifton	Since 1 August 2019
Michael Creamer	Since 1 August 2019
Davide Ferrari	Since 1 August 2022
Stephen Hughes	Since 1 August 2019
Helen Gough	Since 1 August 2020
Annie Kent	Ex officio, from 12 March 2020 to 31 May 2023
Sir Ron Kerr CBE FKC	Since 1 August 2020
Stephen Large FKC	Ex officio, since 1 March 2020
Professor Rachel Mills	Ex officio since 1 September 2022
Nick O'Donnell	Ex officio, since 1 August 2017
Sanjeev Sharma	Since 1 August 2020
Professor Richard Trembath FKC	Ex officio, since 1 September 2020

Governance & Nominations Committee

Member	Period of office
Clare Sumner OBE	Member since 1 August 2020; Chair since 1 August 2022
The Rt Hon the Lord Geidt GCB GCVO OBE QSO FKC	Member since 1 August 2016; Chair until 31 July 2021
Professor Shitij Kapur MBBS PhD FRCPC FMedSci(UK) FAAHMS (AUS)	Ex officio since 1 June 2021
Natasha Awais-Dean	Since 1 August 2022
Paul Cartwright	Since 1 January 2023
Michael D'Souza	From 1 August 2018 to 31 December 2022
Paul Goswell	Since 1 August 2018
Mohd Yasir Khan	From 1 August 2022 to 31 July 2023
Steven Suresh	Since 1 August 2023

Remuneration Committee

Member	Period of office
Nhuoc Lan Tu	Member & Chair since 1 August 2021
The Rt Hon the Lord Geidt GCB GCVO OBE QSO FKC	Since 1 August 2016
Michael D'Souza	Ex officio, Honorary Treasurer since 1 August 2016 to 31 December 2022
Paul Cartwright	Since 1 August 2020
Paul Goswell	Since 1 August 2016
Stephan Weiner	Ex officio, Honorary Treasurer since 1 January 2023

Staff & Culture Strategy Committee

Member	Period of office
Nhuoc Lan Tu	Ex officio member & Chair since 1 January 2023
Dr Gemma Archer	31 January 2023 to 3 October 2023
Professor Stephen Bach	Ex officio since 1 January 2023
Donna Catley	Since 1 January 2023
Rev'd Dr Ellen Clark-King	Ex officio since 1 January 2023
Brent Dempster	Ex officio since 1 January 2023
Niamh Godley	Since 1 January 2023
Dale Haddon	Since 1 January 2023
Professor Humeira Iqtidar	Since 1 January 2023
Mohd Yasir Khan	Ex officio from 1 January 2023 to 31 July 2023
Lorraine Kelly	Ex officio since 1 January 2023
Maria Kokkinou	Since 1 January 2023
Stuart MacDonald	Since 1 January 2023
Yeme Onoabhbagbe	Since 1 January 2023
Dr Sasha Scambler	Since 1 January 2023
Steven Suresh	Since 1 August 2023

Charitable status

The University is an 'exempt' charity under Schedule 3 of the Charities Act 2011. This means King's is not registered with the Charity Commission and has no charity registration number. Under the Charities Act 2006, King's and other universities that are exempt charities are regulated by the Office for Students (OfS) as 'principal regulator' on behalf of the Commission.

As the University's trustee, the Council is responsible for defining the strategic aims of King's and directing the activities of its Executive in the furtherance of these objects.

When setting objectives and planning activities, the Council and the Executive give careful consideration to the Charity Commission's general guidance and to its supplementary guidance on public benefit. Attention is also paid to guidance issued by the OfS in its role as principal regulator on behalf of the Commission.

The beneficiaries of the University's charitable activities during the year included:

- the University's undergraduate, postgraduate taught and postgraduate research students, who benefitted from the education provided by King's in their development as individuals and in their employment prospects
- the beneficiaries from the advancement of research by King's on its own and in conjunction with strategic partners
- society at large, reflected in the University's commitment to service as a strategic priority, and illustrated by the examples given above and many others.

Corporate governance

The following statement, covering the period of these financial statements and up to the date of their approval, is provided to enable readers of the financial statements of the University to obtain a better understanding of the governance and legal structure of King's. The University endeavours to conduct its business:

- a. in accordance with the conditions of registration set by the Office for Students (OfS) and the requirements of Research England
- b. in accordance with the seven principles identified by the Nolan Committee on standards in public life (selflessness; integrity; objectivity; accountability; openness; honesty; leadership) and
- c. in the light of the guidance to universities that has been provided by the Committee of University Chairs in its Higher Education Code of Governance (September 2020).

King's is an independent corporation whose legal status derives from a Royal Charter originally granted in 1829. Its objects, powers and framework of governance are set out in the Charter and supporting Statutes.

The Charter and Statutes require the University to have two bodies, the Council and the Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Council is the supreme governing body responsible for the finance, property, investment and conduct of all affairs of the University including the strategic direction of the institution. The Council has independent members, from whom its Chair and Vice-Chair must be drawn, but also included in its membership are University staff members and the president of the student body. None of the independent members receives any payment, apart from the reimbursement of expenses, for the work that they do for the University.

The Academic Board is the academic authority of the University and draws its membership mainly from the academic staff and the students of the institution. It is the body responsible under delegated authority from the Council for the academic work of the University in teaching, examining and research. The Academic Board recommends major, strategic academic proposals to the Council and provides assurance to Council with respect to quality of academic programming.

Although the Council meets at least five times each academic year, most of its detailed business is handled by committees, in particular a Finance Committee; an Audit, Risk & Compliance Committee; a Remuneration Committee; an Estates Strategy Committee; a Fellowships & Honorary Degrees Committee and a Governance & Nominations Committee. An additional committee was added in the 2022-23 year for Staff and Culture Strategy.

The Council also has a Chairs' Committee, comprised primarily of the Chairs of the key standing committees, to take urgent decisions between ordinary meetings when convening a special meeting of Council is not possible.

Each of these committees is formally constituted with written terms of reference and specified membership, including a significant proportion of independent members selected for their expertise and knowledge, from whom the Chairs are drawn. Each reports regularly to the Council.

The Finance Committee inter alia recommends to Council the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It also approves comprehensive Financial Regulations for the conduct of the financial affairs of the University.

The Audit, Risk & Compliance Committee is responsible for meeting at least once annually with the external auditor to discuss audit findings, and with the internal auditors to consider their detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. The Committee pays particularly close attention to the implementation of recommendations by management and follow-up to audit exercises. It receives and considers reports from OfS as they affect the University's business and receives reports from other statutory, regulatory or funding agencies concerning the University's compliance with relevant legislation and standards. It also reviews accounting policies and any major changes to the University's accounting principles and practice that are brought to its attention by the external auditor, internal audit or management.

The Remuneration Committee determines the annual remuneration of the Vice-Chancellor & President, Senior Vice Presidents, Vice Presidents and the College Secretary. The University follows the guidelines laid out in the Committee of University Chairs higher education remuneration code.

The principal academic and executive officer of King's is the Vice-Chancellor & President, who has a general responsibility to the Council for ensuring that the objects of the University are fulfilled and for maintaining and promoting the efficiency, discipline and good order of the University. The Vice-Chancellor & President is also, under the OfS Terms and Conditions of Funding, the designated Accountable Officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

The Ordinances of the University specify that the College Secretary should act as Secretary of the Council. Any enquiries about the constitution and governance of the University should be addressed to the College Secretary.

Statement on internal control

The Council, as the governing body of the University, has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which the Council is responsible, in accordance with the responsibilities assigned to the governing body in the Charter and Statutes and the OfS Terms and Conditions of Funding for Higher Education Institutions.

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

The system of internal control is based on an ongoing process designed to identify the principal risks; to evaluate the nature and extent of those risks; and to manage them efficiently and effectively. This process was in place for the year ended 31 July 2023 and up to the date of the approval of the financial statements. It accords with the OfS Conditions of Registration.

The Council has responsibility for reviewing the effectiveness of the system of internal control.

The following processes have been established:

- The Council considers the plans and strategic direction of the University on an annual basis.
 - The Audit, Risk & Compliance Committee independently reviews the effectiveness of internal control systems and the risk-management process.
 - The Council receives termly reports from the Chair of the Audit, Risk & Compliance Committee concerning issues of risk, internal controls and their effectiveness, which are informed by regular reports from senior management on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
 - The University Executive has overall responsibility for Risk Management in the University and is supported in this task by the Director of Strategy, Planning & Analytics who coordinates the processes which underpin risk management, including the production of a Corporate Risk Register, appropriate Risk Appetite Statements and balanced scorecards for each key risk.
 - The Audit, Risk & Compliance Committee reports to Council its findings in respect of the effectiveness of the risk-management process. This is informed by a regular report from the Director of Strategy, Planning & Analytics which contains updates to the corporate risk register and risk-appetite statements, along with any other relevant developments in the control of risk at the University. In addition, the Committee has the opportunity to discuss specific risk management topics with senior managers with at least one area being selected for focus at every meeting.
- The Audit, Risk & Compliance Committee receives regular reports from the Director of Risk Assurance on the effectiveness of internal controls based on work undertaken in accordance with its approved internal audit plan.
 - The University has developed a suite of key performance indicators (KPIs), allowing the Council to monitor progress towards the achievement of strategic objectives. The corporate risk register makes clear links to relevant KPIs.
 - The University has an Internal Audit Unit, as part of the Business Assurance Directorate, which sits within the College Secretariat. The Internal Audit Unit operates to professional standards as defined by the Institute of Internal Auditors. The Internal Audit Unit submits regular reports to the Audit, Risk & Compliance Committee that include an independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement, and follow-up reports on the implementation of previous audits.
 - The Council receives termly and annual reports from the Audit, Risk & Compliance Committee. Each report contains an opinion which includes an assessment of the effectiveness and adequacy of the overall system of internal control and the management of risk.

The Council's full review of the effectiveness of the system of internal control for the year ended 31 July 2023 was informed by the Audit, Risk & Compliance Committee, the work of the Business Assurance Directorate, and by reports of the executive managers within the University who have responsibility for the development and maintenance of the internal control framework. It was also informed by comments made by the external auditor in its management letter and other reports.

Statement of Council responsibilities in respect of the annual report and the financial statements

The Council is responsible for preparing the annual report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the Council (the members of which are the Directors of the University company for the purposes of company law) to prepare financial statements for each financial year. Under that law it has elected to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

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

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University and enable it to ensure that its financial statements comply with the Companies Act 2006. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Statutes
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

Independent auditor's report to the Council of King's College London

Report on the audit of the financial statements

Opinion

We have audited the financial statements of King's College London ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors, the Audit, Risk and Compliance Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Audit, Risk and Compliance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group management may be in a position to make inappropriate accounting entries;
- the risk of bias in accounting estimates; and

the risk that research income is not recognised in line with the University's accounting policies or relevant accounting standards. On this audit we do not believe there is a fraud risk related to revenue recognition for all other revenue streams because they are simple in nature and do not contain material balances subject to management judgement.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations.
- For a sample of research projects we tested whether expenditure was in line with the terms and conditions of the relevant contract and assessed whether associated income was included in the correct period and accounted for in accordance with the requirements of the relevant accounting standards.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

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

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

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

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

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

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

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

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

Other information

The Council is responsible for the other information, which comprises the Operating and Financial Review, Corporate and Social Responsibility, Corporate Governance and Statement on Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council responsibilities

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities).

Report on other legal and regulatory requirements

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in note 9 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 5 to the financial statements has been materially misstated.

We have nothing to report in these respects.

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

This report is made solely to the Council, in accordance with section 13-18 of the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

Fleur Nieboer

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

27 November 2023

Statement of principal accounting policies

Accounting convention

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) – Accounting for Further and Higher Education issued in 2019. They have also been prepared in accordance with the ‘carried forward’ powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public-benefit entity and has applied the relevant public-benefit requirement of FRS 102.

1. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of endowment asset investments, and freehold land.

The functional currency of the University is Pounds Sterling, the currency of the United Kingdom, which is the primary economic environment the University operates in. The consolidated Financial Statements are also presented in Pounds Sterling. Foreign operations are included in accordance with the Foreign Currency Translation Policy set out below.

Judgements made by management in the application of these accounting policies that have a significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed at the end of these sections.

2. Basis of consolidation

The consolidated financial statements consolidate the financial statements of King’s and all its subsidiary undertakings for the financial year to 31 July, with uniform accounting policies adopted by the University and its subsidiaries. Intra-company sales and profits are eliminated fully on consolidation.

Joint ventures are accounted for using the ‘Equity Method’. They are initially recognised at transaction cost adjusted each year to reflect the University’s share of the joint venture’s Comprehensive Income, recognised through Other Comprehensive Income. Joint ventures are reviewed annually to ensure that the investment is worth the carrying amount and a provision against the value created, if necessary.

In accordance with Section 9 of FRS 102, the consolidated financial statements do not include those of the King’s College London Students’ Union, in which the University has no financial interest and no control or significant influence over policy decisions.

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

3. Going Concern

The University continues to adopt the going concern basis in preparing these financial statements. In coming to this conclusion Council and the Officers of the University have undertaken the following actions;

- Prepared detailed income and expenditure, and cash flow budgets and forecasts for the 2023-24 financial year, with due regard to sensitivity of income to home and overseas student numbers.
- Prepared prudent Income and Expenditure, cash flow, and balance sheet forecasts for a period of five years.
- Calculated and reviewed debt covenants on both an actual and forecast basis five years from the balance sheet date, to ensure it will not breach them based upon the University’s financial strategy and plan.
- Reverse stress tested the University in a number of scenarios to see under what circumstances it would face an existential risk, including what would lead to a breach of debt covenants, or cash held being insufficient to meet payroll. With a mitigation plan devised for these circumstances.
- Had all budgets and forecasts scrutinised by the University’s Finance Committee which has expert independent members.
- Considered the solvency and liquidity position of the University and the availability to it of debt finance as required, including active management of its credit rating (as provided by Standard & Poor’s).
- Considered the severe but plausible downsides the University may be faced with in the foreseeable future.

Based upon this Council is confident that the University has adequate resources to continue in operational existence for the foreseeable future, and will have sufficient funds to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements.

Council is not aware of any material uncertainties which would prevent the University from continuing as a going concern.

4. Recognition of income

Provision of goods and services

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the extent of the completion or provision of the service supplied.

Tuition fees and education contracts

Student-fee income is stated net of any expenditure that is a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Agency

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

Grants

Where the University receives income, such as grants, on a basis that is without commercial substance it accounts for this on a Non-Exchange Transaction basis. A Non-Exchange Transaction is defined as when:

'An entity receives value from another entity without directly giving approximately equal value in exchange.'

Government grants include funding council block grant, research grants from government sources, and other grants and donations from non-government sources (including research grants).

As set out in Section 24 of FRS 102, Government Grants, the University has opted to account for government grants as for other non-exchange transactions, under the performance model. Income is recognised within the Statement of Comprehensive Income when the grant is receivable (legal/contractual commitment) and performance related conditions specified in the agreement are met. In the absence of performance conditions income is recognised in full as soon as it becomes receivable.

Performance conditions are defined as follows:

'A condition that requires the performance of a particular level of service or units of output to be delivered, with payment of, or entitlement to, the resources conditional on that performance.'

Resources received in advance of completion of performance conditions are recognised on the balance sheet as deferred income and released to the Statement of Comprehensive Income as conditions are met. Where grants are received in arrears accrued income or receivable assets are recognised in line with income recognition.

For OfS / Research England funding grants relating to a single academic year, income is recognised in full in the period to which the grant relates. Grants relating to more than a single year are recognised pro-rata across the term of the grant.

Grants for the purpose of purchasing or constructing specific assets are recognised as income upon the asset being brought into use, or in line with phased completion of large construction projects where this is the performance condition. Grants where the University has discretion over the assets purchased or built and there is no performance condition are recognised in full as income when the grant becomes receivable.

Income is classified as 'Research Grants and Contracts' when it meets the Frascati definition of research as set out by the Organisation for Economic Co-operation and Development (OECD), and which is generally accepted within the Higher Education sector as the standard by which work is determined to be research. In the majority of cases research income is recognised in line with expenditure of the grant on the research area and any related contributions towards overhead costs, spend on appropriate research costs being the performance condition.

Donations, endowments, and non-government capital grants

Donations and endowments are non-exchange transactions which do not meet the definition of government or research grants and are accounted for under the performance model.

Donation and new endowment income is recognised within the Statement of Comprehensive Income when the grant is receivable (legal/contractual commitment) and performance-related conditions specified in the agreement are met. In the absence of performance conditions income is recognised in full as soon as it becomes receivable, being the earlier of receipt of the donation or contractual obligation from the donor.

Donations and endowments with donor-imposed restrictions are recognised in restricted income and restricted endowment reserves respectively and retained within the restricted reserves until such time as it is used in line with the restrictions, at which point the income is released to general reserves through a reserve transfer.

Restrictions are defined as:

'A requirement that limits or directs the purposes for which a resource may be used that does not meet the definition of a performance-related condition.'

Donations with no restrictions are recorded in unrestricted income reserves.

There are four main types of donations and endowments with restrictions, which are:

- ♦ restricted donations – the donor has specified that the donation must be used for a particular objective
- ♦ unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate income for the general benefit of the University
- ♦ restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income
- ♦ restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate income to be applied to a particular objective.

Donations for the purpose of purchasing or constructing specific assets are recognised as income upon the asset being brought into use, or in line with phased completion of large construction projects where this is the performance condition.

Investment Income

Investment income from short-term deposits is included in the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

Endowment investment income and appreciation is recorded in income in the year in which it arises, as either restricted or unrestricted income according to the terms of the individual endowment fund.

The University operates a total return endowment investment management policy for permanent endowments. This allows the spending of permanent endowment investment gains regardless of whether they are realised or unrealised capital gains or dividend and interest income. The Investment Subcommittee has adopted a total return spending rate of four per cent applied to the average ending portfolio valuation over the previous 12 quarters.

5. Employment benefits

Post-Employment Benefits (pensions)

The three principal pension schemes in which the University participates are the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the Department of Health's NHS Pension Scheme (NHSPS). The schemes are valued at least every three years by professionally qualified and independent actuaries.

SAUL is a defined benefit scheme, and with effect from 1 October 2016, USS changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits.

The assets of both schemes are held in separate trustee administered funds. Due to the mutual nature of the schemes, the assets are not attributed to individual institutions and scheme wide contribution rates are set. The University 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. Therefore, as required by Section 28 of FRS 102 Employee Benefits, the University accounts for the schemes as if they are defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the schemes in respect of the accounting period.

A liability is recorded within provisions for any contractual commitment to fund past deficits within either USS or SAUL as determined by the scheme management. The provision being calculated on a discounted future cash flow basis and the associated expense and subsequent release being recognised as staff costs in the Statement of Comprehensive Income.

NHSPS is a statutory, unfunded, multi-employer, defined benefit scheme in which the University is unable to identify its share of the underlying liabilities and assets, and it is accounted for as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. As the scheme is unfunded there is no requirement to provide for contractual commitments to fund past deficits.

Short-term Employee Benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. A liability is recognised at each Balance Sheet date to the extent that employee holiday allowances have been accrued but not taken, the expense being recognised as staff costs in the Statement of Comprehensive Income.

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 are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

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

7. 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 lease term.

8. Repairs and maintenance

Expenditure to ensure that a Property, Plant and Equipment asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income in the period in which it is incurred. The University has a planned maintenance programme, which is reviewed annually.

9. Foreign currencies

Transactions denominated in foreign currencies are translated to sterling 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 retranslated to sterling at the foreign-exchange rate ruling at that date. Foreign-exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income and Expenditure. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

10. Intangible assets

Software licences and implementation costs

Software, licences, and their associated implementation costs, costing less than £50k are written off in the year of acquisition. All other software, licences, and associated implementation costs are capitalised at cost (including irrecoverable VAT and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended) and recognised as intangible assets.

Capitalised software and licences are depreciated over their useful economic life of up to five years or the remaining length of the licence, using the straight-line method.

11. Fixed assets

Freehold land

Freehold land is accounted for under a revaluation policy, being valued at cost at initial recognition and subsequently being revalued to fair value with positive movements recognised in Other Comprehensive Income and in a revaluation reserve. Negative movements in fair value are recognised in Other Comprehensive Income to the extent that they reverse previously recognised gains, or expenditure where they take the asset below its original cost. Fair value has been calculated without deduction for costs which may be incurred on any subsequent sale.

The University has a policy of ensuring a full revaluation takes place at least every five years, or more frequently where there is evidence of impairment, such that the market value is not materially different to the current value.

Buildings and Leasehold Land

Buildings and long leasehold land are stated at cost (including irrecoverable VAT and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended) less accumulated depreciation.

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

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 buildings are depreciated on a straight-line basis over their expected useful lives of 50 years, and 100 years in respect of new-build property.
- Leasehold land is depreciated over the life of the lease.

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

Equipment and Plant

Equipment costing less than £50,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost (including irrecoverable VAT and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended) and depreciated over its expected useful life;

- Plant – 15 years
- Capitalised leased equipment – 15 years.
- Fixtures and fittings – 15 years
- Equipment purchased on research grants – remaining term of the grant
- All other equipment – 5 years

Depreciation methods, useful lives and residual values are reviewed during the preparation of each balance sheet.

Impairment

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income. Where indicators exist for a decrease in impairment loss on assets, the prior impairment loss is reversed only to the extent that it does not lead to a revised carrying amount higher than if no impairment had been recognised.

Borrowing costs

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

Disposal of fixed assets

Gains or losses on disposal of fixed assets are recognised as the difference between the consideration received (net of any VAT) and the carrying value of the asset at the date sale plus costs incurred in the sale.

12. Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

In so far as heritage assets are used as operational assets, as in the case of historic buildings, they are capitalised in accordance with the policies set out in point 9 above. Other heritage assets – principally printed materials, pictures and objects of scientific interest – are, for individual items exceeding £50,000, capitalised at cost or valuation on acquisition, but only where a reliable valuation is available. Valuations reflect any impairment or restrictions on use of the assets by the University. No assets acquired prior to 1 August 2000 have been capitalised, as reliable information concerning their cost or value on acquisition is not available.

Descriptions of the principal heritage assets held are set out in note 15 to the accounts.

13. Investment properties

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

As per section 16.3A of FRS 102, student accommodation is not classified as investment property as the University is a public benefit entity and the property is held primarily for the provision of social benefits.

Investment properties are measured initially at cost and subsequently at fair value, based on the valuation undertaken by an independent Chartered Surveyor and updated annually for market movement, with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July.

14. Investments

All investments will initially be recognised at cost and subsequently measured at fair value at each reporting date. Where fair value cannot be reliably measured or investments are not publicly traded, they will be measured at cost less impairment. All gains and losses on investment assets, both realised and unrealised, are recognised in the Statement of Comprehensive Income as they accrue.

Investments in listed shares (where shares are publicly traded or their fair value can be reliably measurable) are measured at market value.

Investments in subsidiary undertakings and associates are recognised at transaction cost less accumulated impairment losses.

15. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments. Highly liquid is considered to be holdings which can be liquidated in less than 3 months.

16. Taxation status

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

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and as such is a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478–488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax but is unable to recover input tax incurred on the majority of its expenditure, most education and research being VAT-exempt activity. Irrecoverable VAT is included in the cost of the goods or services. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any other commercial organisation. However, no provision is made for deferred tax should the taxable profits of the subsidiary companies be gift-aided back to King's.

17. Provisions

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

King's regularly reviews the risks inherent in its educational and research activities and makes financial provision where appropriate.

In addition, the University operates its halls of residence on a self-financing basis and provides annually for the cost of long-term maintenance and regular refurbishment.

18. Financial Instruments

The University has adopted the option to apply the recognition, measurement, and disclosure requirements of sections 11 and 12 of FRS 102.

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

Financial Assets

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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

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

Financial assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

Financial Liabilities

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

19. Significant accounting estimates and judgements

The preparation of King's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenditure. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events. The estimates are reviewed on an ongoing basis and the related eventual actual results may differ from these estimates.

Accounting estimates

Key assumptions concerning the future and key sources of estimation uncertainty at the reporting date that may cause material adjustment to the carrying amounts of asset or liabilities are discussed with the external auditors, Audit and Risk Compliance Committee and Finance Committee during the year. The University considers certain accounting estimates relating to provisions and fixed assets as its significant accounting estimates as described as follows:

The USS pension provision includes key assumptions on discount rates, salary inflation and staff headcount. The pension provision has been estimated based on a model created by USS and British Universities Finance Directors Group (BUFDG). The changes in salary and headcount have been assessed using the forecast impact of the University's strategic plans on the number of staff employed and known statutory and other increases to pay. The discount rate used is considered to be equivalent of that of a high-quality corporate bond. Sensitivity analysis has been provided in Note 23 in relation to changes in these assumptions.

- The valuation of freehold land is performed by professionally qualified valuers in accordance with RICS Valuation – Global Standards and FRS 102. The fair value of land is based on estimates of either open market value or depreciated replacement cost.
- Tangible and intangible assets are assessed at the time the asset is acquired or construction is completed to establish their useful life. This assessment is based on historical experience with related assets and any awareness of future events. Depreciation is then calculated on a straight-line basis over the estimated useful economic lives of the assets.

Significant judgements

Judgements, apart from those above involving estimate uncertainty, that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognised in the financial statements are described as follows:

- 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 those provided by USS and SAUL. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense recognised through the profit or loss account in accordance with section 28 of FRS 102. The University is satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

- The annual valuation of the University's investment properties and freehold land includes judgements which are based on discussions and expertise from the University's professionally qualified valuers.
- Research income is recognised in line with expenditure when it is judged by the University to have the right to receive funding from these bodies.
- Non-exchange transactions, such as donations, are recognised in line with their corresponding gift/grant agreements which are reviewed for any performance conditions or restrictions. The income is recognised when these conditions are judged to have been met.

Consolidated and University statement of comprehensive income and expenditure

For the year ended 31 July 2023

	Note	Consolidated		University	
		2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Income					
Tuition fees and education contracts	1	607,815	610,493	607,815	610,493
Funding body grants	2	148,294	138,971	148,294	138,971
Research grants and contracts	3	236,276	221,164	236,276	221,164
Other income	4	190,682	162,788	190,760	162,842
Investment income	6	17,972	4,626	17,954	4,626
Total income before donations and endowments		1,201,039	1,138,042	1,201,099	1,138,096
Donations and endowments	7	28,920	11,209	28,920	11,209
Total income		1,229,959	1,149,251	1,230,019	1,149,305
Expenditure					
Staff costs	8	(667,906)	(624,351)	(658,036)	(616,585)
Staff costs – movement on USS pension provision	8, 23	68,481	(289,559)	68,481	(289,559)
Other operating expenses	12	(417,182)	(406,164)	(427,166)	(414,033)
Depreciation and amortisation	14, 15	(55,745)	(59,232)	(55,773)	(59,250)
Interest and other finance costs	11	(29,346)	(17,334)	(29,346)	(17,334)
Total expenditure	12	(1,101,698)	(1,396,640)	(1,101,840)	(1,396,761)
Surplus/(deficit) before other gains and losses		128,261	(247,389)	128,179	(247,456)
Gain on disposal of fixed assets	17	–	11,128	–	11,128
Gain/(loss) on endowment investments	18, 26	4,541	(8,617)	4,541	(8,617)
Gain/(loss) on property investment	17	(3,515)	46	(3,515)	46
Surplus/(deficit) before tax		129,287	(244,832)	129,205	(244,899)
Taxation	13	(21)	(4)	–	–
Surplus/(deficit) for the year		129,266	(244,836)	129,205	(244,899)
Other comprehensive income					
Unrealised deficit on revaluation of tangible assets		(50,726)	–	(50,726)	–
Total comprehensive income for the year		78,540	(244,836)	78,479	(244,899)
Represented by:					
Endowment comprehensive income for the year	26	9,888	(9,506)	9,888	(9,506)
Restricted comprehensive income for the year	25	10,188	3,471	10,188	3,471
Unrestricted comprehensive income for the year	27	109,190	(238,801)	109,129	(238,864)
Revaluation reserve comprehensive income for the year		(50,726)	–	(50,726)	–
		78,540	(244,836)	78,479	(244,899)

The consolidated income and expenditure of the University and its subsidiaries relates wholly to continuing operations.

There is no difference between the surplus/(deficit) stated above and the historical cost equivalent. Total Comprehensive Income at historic cost in 2022-23 would have been £78,540k (2021-22 £244,836k).

The notes from page 50 onwards form part of the financial statements.

Consolidated and University statement of changes in reserves

For the year ended 31 July 2023

	Income and expenditure account			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
Consolidated					
Balance at 1 August 2021	300,600	4,741	697,489	484,321	1,487,151
Surplus/(deficit) for the year	(9,506)	3,471	(238,801)	–	(244,836)
Total comprehensive income for the year	(9,506)	3,471	(238,801)	–	(244,836)
Reserves transfer	–	3,713	(3,713)	–	–
Balance at 1 August 2022	291,094	11,925	454,975	484,321	1,242,315
Surplus/(deficit) for the year	9,888	10,188	109,190	–	129,266
Surplus on revaluation	–	–	–	(50,726)	(50,726)
Total comprehensive income for the year	9,888	10,188	109,190	(50,726)	78,540
Reserve transfer	–	(2,079)	2,079	–	–
Balance at 31 July 2023	300,982	20,034	566,244	433,595	1,320,855

	Income and expenditure account			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
University					
Balance at 1 August 2021	300,600	4,741	699,582	484,321	1,489,244
Surplus/(deficit) for the year	(9,506)	3,471	(238,864)	–	(244,899)
Total comprehensive income for the year	(9,506)	3,471	(238,864)	–	(244,899)
Reserve transfer	–	3,713	(3,713)	–	–
Balance at 1 August 2022	291,094	11,925	457,005	484,321	1,244,345
Surplus/(deficit) for the year	9,888	10,188	109,129	–	129,205
Surplus on revaluation	–	–	–	(50,726)	(50,726)
Total comprehensive income for the year	9,888	10,188	109,129	(50,726)	78,479
Reserve transfer	–	(2,079)	2,079	–	–
Balance at 31 July 2023	300,982	20,034	568,213	433,595	1,322,824

Consolidated and University balance sheets

As at 31 July 2023

	Note	Consolidated		University	
		2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Non-current assets					
Intangible assets	14	39,107	39,200	39,107	39,200
Tangible assets	15	1,541,744	1,573,065	1,543,646	1,574,997
Investments	17	59,660	63,945	59,661	63,945
Endowment investments	18	300,982	291,094	300,982	291,094
Investment in joint venture	17	2,832	1,632	2,832	1,632
		<u>1,944,325</u>	<u>1,968,936</u>	<u>1,946,228</u>	<u>1,970,868</u>
Current assets					
Trade and other debtors due within 1 year	19	182,758	151,882	181,833	151,898
Cash and cash equivalents		377,419	379,265	376,212	377,293
		<u>560,177</u>	<u>531,147</u>	<u>558,045</u>	<u>529,191</u>
Less: creditors: amounts falling due within one year	20	<u>(429,296)</u>	<u>(423,811)</u>	<u>(427,098)</u>	<u>(421,757)</u>
Net current assets/(liabilities)		<u>130,881</u>	<u>107,336</u>	<u>130,947</u>	<u>107,434</u>
Total assets less current liabilities		<u>2,075,206</u>	<u>2,076,272</u>	<u>2,077,175</u>	<u>2,078,303</u>
Creditors: amounts falling due after more than one year	21	<u>(418,429)</u>	<u>(424,000)</u>	<u>(418,429)</u>	<u>(424,000)</u>
Provisions					
Pension provisions	23	(330,972)	(405,304)	(330,972)	(405,304)
Other provisions	24	(4,950)	(4,653)	(4,950)	(4,653)
Total net assets		<u>1,320,855</u>	<u>1,242,315</u>	<u>1,322,824</u>	<u>1,244,345</u>
Restricted reserves					
Income and expenditure reserve – endowment reserve	26	300,982	291,094	300,982	291,094
Income and expenditure reserve – restricted reserve	25	20,034	11,925	20,034	11,925
Unrestricted reserves					
Income and expenditure reserve – unrestricted	27	566,244	454,975	568,213	457,005
Revaluation reserve		433,595	484,321	433,595	484,321
Total reserves		<u>1,320,855</u>	<u>1,242,315</u>	<u>1,322,824</u>	<u>1,244,345</u>

The financial statements on pages 46 to 76 were approved by the Council on 21 November 2023 and signed on its behalf by:

The Rt Hon the Lord Christopher Geidt
Chair of Council

Professor Shitij Kapur
Vice-Chancellor & President

Mr Stephan Weiner
Treasurer

Consolidated statement of cash flows

For the year ended 31 July 2023

	<i>Note</i>	2022-23 £000	2021-22 £000
Cash flow from operating activities			
Surplus/(deficit) for the year		129,266	(244,836)
Adjustment for non-cash items			
Depreciation and amortisation	14, 15	55,745	59,232
(Gain)/Loss on property investment	17	3,515	(46)
(Gain)/Loss on endowment investments	18	(4,541)	8,617
(Increase)/Decrease in debtors		(30,876)	4,014
Increase/(Decrease) in creditors (excluding debt repayable in less than 1 year)		5,198	21,950
(Decrease) in lease premium on development property		(869)	(870)
Write down in value of investments	17	800	800
Increase/(Decrease) in pension provisions	23	(87,829)	282,696
Increase/(Decrease) in other provisions	24	297	–
Adjustment for investing or financing activities			
Investment income	6	(17,972)	(4,626)
Interest payable	11	29,346	17,334
Endowment income	7	(9,653)	(3,844)
(Gain)/loss on sale of shares in spin-out	17	–	(11,128)
Disposal of tangible assets		1,547	22,153
Capital grant income	2	(13,619)	(15,606)
Net cash inflow from operating activities		60,355	135,840
Cash flows from investing activities			
Proceeds from sale of endowment asset investments	18	37,897	14,605
Capital grants receipts	2, 7	13,619	15,606
Investment income	6	17,972	4,626
Payments made to acquire fixed assets		(76,605)	(169,792)
Change in non-current asset investments	17	(30)	(50)
New non-current endowment asset investments	18	(40,363)	(16,109)
Endowment asset investments change in cash balances	18	(2,881)	2,393
Proceeds from sale of shares in spin-out	17	–	11,128
Investment in joint venture	17	(1,200)	(1,200)
		(51,591)	(138,793)
Cash flows from financing activities			
Interest paid		(15,892)	(15,722)
Interest element of finance lease payments		–	(231)
Endowment cash received	7	9,653	3,844
Repayments of amounts borrowed		(4,371)	(2,829)
Capital element of finance lease payments		–	(655)
New loans		–	20,000
		(10,610)	4,407
Change in cash and cash equivalents in the year		(1,846)	1,454
Cash and cash equivalents at beginning of the year		379,265	377,811
Cash and cash equivalents at end of the year		377,419	379,265
Change in cash and cash equivalents in the year		(1,846)	1,454

Notes to the accounts

For the year ended 31 July 2023

1. Tuition fees and education contracts

	Consolidated and University	
	2022-23 £000	2021-22 £000
Full-time students charged home fees	167,788	175,286
Full-time students charged overseas fees	342,452	335,353
NHS contracted student fees	8,311	9,045
Part-time fees	39,539	38,018
Special and short course fees	35,115	38,444
Research Studentship and support grants	14,610	14,347
	607,815	610,493

2. Funding body grants

	Consolidated and University	
	2022-23 £000	2021-22 £000
Funding body teaching grants	38,251	36,388
Funding body research grants	87,074	75,359
Other funding body grants	9,350	11,618
Funding body capital grants	13,619	15,606
	148,294	138,971

3. Research grants and contracts

	Consolidated and University	
	2022-23 £000	2021-22 £000
Research Councils	68,363	61,255
UK central government, local authorities, health and hospital authorities	48,287	42,022
UK industry, commerce and public corporations	12,130	17,922
UK charitable bodies	60,594	56,618
EU government	17,699	18,537
EU Charities, Industry and Other	4,753	4,278
Overseas non EU	21,862	18,291
Other UK Sources	2,530	2,230
Other	58	11
	236,276	221,164

4. Other income

	Consolidated		University	
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Academic departments costs reimbursed by NHS	14,877	15,192	14,877	15,192
Clinical excellence awards reimbursed by NHS	6,297	6,638	6,297	6,638
Residences, catering and conferences	69,097	57,457	69,097	57,457
Services rendered to NHS and related bodies	28,494	21,959	28,494	21,959
Gift aid payments from subsidiaries	–	–	217	152
Consultancy	22,211	19,788	22,127	19,745
Royalties	1,771	1,625	1,771	1,625
Commercial rental income	7,666	7,815	7,666	7,815
Other income	40,269	32,314	40,214	32,259
	190,682	162,788	190,760	162,842

5. Grant and fee income

The below table is provided in line with the requirements of the Office for Students' Accounts Direction and summarises the grant and fee income of the University by the nature and source of that income. All income included in the table is also included in notes 1 to 4.

	Consolidated and University	
	2022-23 £000	2021-22 £000
Grant income from the OfS	127,495	112,151
Grant income from other bodies	89,163	88,151
Fee income for research awards (exclusive of VAT)	14,610	14,368
Fee income from non-qualifying courses (exclusive of VAT)	35,301	38,466
Fee income for taught awards (exclusive of VAT)	557,905	557,681
	824,474	810,817

6. Investment income

	Consolidated		University	
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Income on restricted permanent endowments (note 26)	2,549	1,815	2,549	1,815
Income on restricted expendable endowments (note 26)	320	610	320	610
Other interest receivable	14,908	1,393	14,890	1,393
Other investment income	195	808	195	808
	17,972	4,626	17,954	4,626

7. Donations and endowments

	Consolidated and University	
	2022-23 £000	2021-22 £000
New endowments (note 26)	9,653	3,844
Donations with restrictions	15,095	4,375
Unrestricted donations	4,172	2,990
	28,920	11,209

8. Staff

	Consolidated		University	
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Staff costs:				
Wages and salaries	489,150	456,746	479,917	449,168
Redundancy payments	2,543	2,463	2,510	2,463
Social security costs	64,219	60,189	63,151	59,358
Pension contributions relating to current year service (note 30)	72,099	72,726	71,496	72,234
Permanently employed	628,011	592,124	617,074	583,223
Agency and contract staff costs	39,895	32,227	40,962	33,362
Staff costs (excluding pension provision)	667,906	624,351	658,036	616,585
Movement on USS pension provision	(68,481)	289,559	(68,481)	289,559
Staff costs	599,425	913,910	589,555	906,144

8. Staff costs (continued)

Agency and contract staff costs include amounts charged by third parties, including NHS Trusts, for contractors and job holders who are not directly employed by the University.

Redundancy payments have been made to 240 individuals as compensation for loss of office during 2022-23 (2021-22 260 individuals).

	2022-23	2021-22
Average number of directly employed staff, expressed as full-time equivalents:		
Academic/clinical, including research contract staff	4,556	4,511
Administrative and related staff	3,383	3,015
Technical	424	431
Cleaning and security	375	380
Other	123	127
	8,861	8,464

Remuneration of higher paid staff is the full-time equivalent basic annual salary prior to any adjustment for salary sacrifice. The number of staff are calculated on a full-time equivalent basis. Staff who joined or left part-way through a year but who would have received salary in these bands in a full year are not included. Where a proportion of the salary is directly reimbursed by the NHS, research funder, consultancy project or similar, only the portion paid by the University is disclosed.

	2022-23 Total Full-time equivalent	2021-22 Total Full-time equivalent		2022-23 Total Full-time equivalent	2021-22 Total Full-time equivalent
£100,000–£104,999	33.1	63.0	£180,000–£184,999	3.0	–
£105,000–£109,999	66.1	42.9	£185,000–£189,999	–	1.7
£110,000–£114,999	40.3	62.7	£190,000–£194,999	1.8	3.0
£115,000–£119,999	54.7	16.4	£195,000–£199,999	2.0	1.0
£120,000–£124,999	19.7	16.9	£200,000–£204,999	2.0	2.0
£125,000–£129,999	17.4	9.9	£205,000–£209,999	4.0	–
£130,000–£134,999	9.9	6.3	£210,000–£214,999	–	1.0
£135,000–£139,999	7.7	12.1	£215,000–£219,999	–	1.0
£140,000–£144,999	13.9	6.1	£220,000–£224,999	–	0.8
£145,000–£149,999	7.3	8.3	£225,000–£229,999	2.7	0.3
£150,000–£154,999	8.1	7.2	£230,000–£234,999	0.3	0.8
£155,000–£159,999	7.1	2.5	£295,000–£299,999	1.0	1.0
£160,000–£164,999	5.7	2.9	£380,000–£384,999	0.1	–
£165,000–£169,999	0.9	5.3	£385,000–£389,999	–	0.4
£170,000–£174,999	5.3	5.7	£400,000–£404,999	0.4	–
£175,000–£179,999	5.7	2.0			
				320.2	283.2

The accounts included a total amount of £597k in severance payments (including the cost of additional pension benefits purchased by the University) made to seven higher-paid employee in 2022-23, the equivalent payments made in 2021-22 were £214k made to six higher-paid employees.

	2022-23 Number of roles	2022-23 £000	2020-21 Number of roles	2020-21 £000
Key management personnel remuneration	9	2,238	10	2,532

Key Management Personnel comprises the Senior Officers of the University (kcl.ac.uk/aboutkings/principal/seniorofficers) and includes the Vice-Chancellor & President.

8. Staff costs (continued)

	2022-23 £000	2021-22 £000
Emoluments of the Vice-Chancellor & President:		
Professor Shitij Kapur from 1 June 2021		
Salary	295	296
Accommodation	56	40
	351	336
Pension scheme contributions	63	63
	414	399

Context: King's is a world-class institution which aspires to the very highest standards of education and research. The University is a member of the Russell Group and is one of the world's leading research-intensive universities with a global reputation for excellence. The University's Remuneration Policy for Senior Post Holders, which complies with the guidance issued by the Committee of University Chairs, recognises that King's recruits from a global talent pool in selecting its President & Principal (Vice-Chancellor) and that different pay models operate across universities in countries from which King's may seek to recruit. The policy establishes the set of peer institutions for salary comparison purposes with which King's is aligned.

Value: Professor Shitij Kapur took office in June 2021. He is an academic psychiatrist, a neuroscientist and an experienced senior academic leader. Professor Kapur was previously the Dean and Assistant Vice Chancellor for Health at the University of Melbourne. Prior to taking up the role in Melbourne he was Executive Dean of King's Institute of Psychiatry, Psychology & Neuroscience. Thus, he has brought not only international experience at a distinguished institution of considerable scale, but direct experience of King's, both of which have proven invaluable in his first two and a half years in office.

He has continued to focus on the University's key strategic goals and objectives, launching Strategy 2026, a renewed and reinvigorated plan for achieving the ambitions of Vision 2029. Under his leadership King's has grown from about 30,000 students to 36,000 students, has increased its research by 18%, and its turnover has increased from £964m to £1.23 billion. King's now has its highest ever REF ranking and the most recent TEF analysis accorded King's a Gold in Student Outcomes, the first such ranking. King's has completed the first staff survey in five years, with 75% staff showing positive engagement and 80% reporting 'pride' in King's, above the Russell Group and London HEI averages. In addition, the Student Success Transformation Programme will enhance student experience and educational systems and processes. An ambitious capital programme is underway that will increase student facilities, research capacity, and King's impact on society. This includes the Pears Maudsley Centre for Young People's Mental Health, the London Institute of Health Engineering, the re-establishment of Engineering in the Quad, the development of the Strand-Aldwych plaza and the acquisition of the Bush House South West Wing to provide space for students and staff for post-Covid-19 ways of working.

King's continues to be well represented in global league tables and maintained its high standing in research in the recent Research Excellence Framework (REF) exercise, particularly with respect to research impact.

Performance review process: Professor Kapur's performance is reviewed on an annual basis by the Council's Remuneration Committee, which is a standing committee of Council, chaired by the Vice-Chair of the Council and including in its membership the Chair of Council and three additional independent members of Council. The annual performance review is based on progress toward a set of key performance indicators mutually agreed at the beginning of each academic year.

	2022-23	2021-22
Vice-Chancellor & President base pay multiple of median base pay	7.3	8.1
Vice-Chancellor & President total pay multiple of median total pay	8.5	8.9

As per the guidance from the Office for Students included within the calculation are only staff for whom the University are required to provide real time reporting to HMRC. The calculation of the medians includes staff employed through King's Talent Bank Ltd, a wholly owned subsidiary of the University.

Methodology: Full time equivalent (FTE) pay is calculated by summing relevant pay types and the percentage of FTE worked over the year (August 2022 to July 2023) and pro-rating up to 100% to give everyone an FTE equivalent salary. Data includes individuals employed by King's College London, King's College London Business Ltd and King's Talent Bank Ltd.

9. Access and participation

	Consolidated and University			
	2022-23 £000	Of which staff costs (note 8)	2021-22 £000	Of which staff costs (note 8)
Access Investment	2,669	1,555	2,698	1,421
Financial Support	10,924	–	10,109	–
Disability Support	918	861	840	783
Research and Evaluation	294	269	242	218
	14,805	2,685	13,889	2,422

King's is committed to supporting students to access a King's education regardless of background, to succeed while they are with us and progress to the best outcomes. It is a core part of our mission to deliver social mobility and of Strategy 2026.

Three objectives form the basis of our Widening Participation Strategy from 2022-2025. We work with schools and partners to improve attainment. We support families and the communities around learners. We improve outcomes for the most vulnerable priority groups. From there we focus on students' transition into university and getting on in their studies, supported by targeted financial support. We commit to what works, so back this with rigorous, well-resourced evaluation. Through this approach we have delivered on our commitments to the Office for Students and are on track to exceed our targets.

Widening Participation & Fair Access

We invested £2,669,244 to address educational disadvantage and to increase access to King's. We consolidated our programmes following the return to in-person delivery. At the same time, we began a process of expanding and enhancing our activity, experimenting with new provision.

Our flagship K+ programme for year 12 and 13 students aims to improve participants' access to top universities. We have grown K+ to now engage 700 students per year. We have completed a refresh of subject streams to represent all faculties at King's. In 2022-23 we offered work experience to every student enrolled in the Medicine stream and integrated our LGBTQ+ work (Pride Power) into K+. We continue to innovate to establish impact, completing a second Randomised Control Trial of K+. Over 2,000 students attended our online Medicine & Dentistry Lecture Series.

We returned to full in-person delivery for all our programmes with Key Stage 2-4 learners (Step Up Scholars, King's Scholars and Scholars+). This saw over 700 participants and parents on campus and in local schools. The average Attainment 8 score for King's Scholars participants was higher than the local authority average. We have continued to work with other departments. We launched ROAR, a new partnership with the Faculty of Dentistry, Oral and Craniofacial Sciences for six schools and 200 pupils. We expanded our Widening Participation Champions network to 140+ King's staff across all nine faculties.

We continued to grow our partnerships work. Ten new Parent Power chapters opened, led by our partners The Brilliant Club and Citizens UK. These are inspired by and adapt the King's model. We hosted Virtual School visits for London local authorities. We launched a new scholarship with the Raheem Sterling Foundation and the University of Manchester.

We have increased applications and enrolments to King's of our target students. We achieved this while maintaining our commitment to be effective both locally and nationally.

Financial support

We invested £10,923,547 in financial support in 2022-23. Financial support was more critical than ever. Ongoing economic pressures have a disproportionate impact on students from less well-off backgrounds. As a result, the number of students eligible for at least one of our bursaries increased in recent years. This trend continued in 2022-23, alongside an increased provision of hardship funds. We continued our donation-funded Sanctuary Scholarships for forced migrants and displaced students. These included those displaced by the war in Ukraine. We also launched a series of new scholarships to promote fair access to a King's education.

Disability Support

We invested £917,862 in support for disabled students. Sixteen percent of our UK Undergraduate population reported a disability. Students were most likely to report a learning difficulty or a mental health condition. As a result, we have invested in new counselling and mental health support and increased funding for disability and inclusion services.

Research & Evaluation

We invested £293,891 on research and evaluation of activity in 2022-23. The What Works unit within the Social Mobility & Widening Participation department delivered this. The team supported departments to build evidence, develop research and conduct evaluation. What Works also conducted research trialled interventions to improve student engagement. This included the first academically validated survey on students' mental health and wellbeing.

kcl.ac.uk/study/undergraduate/how-to-apply/ofs-access-participation-plan

10. Trustees

The trustees are the members of Council, which is the supreme governing body of the University established under the Charter and Statutes. Membership of Council comprises a mixture of independent (lay) members, staff members, and the President of the King's College London Students' Union.

No member of Council receives remuneration in respect of his or her duties of Council. Total expenses were paid of £6,030 to or on behalf of one member (2022 – one, £2,179) in respect of their Council duties.

11. Interest and other finance costs

	Consolidated and University	
	2022-23 £000	2021-22 £000
Bank and other loans wholly repayable within five years	1,763	270
Loans not wholly repayable within five years	14,086	15,751
Finance leases	–	231
Net charge on pension schemes	13,497	1,082
	29,346	17,334

12. Analysis of total expenditure by activity

	Staff costs £000	Other operating expenditure £000	Depreciation and amortisation £000	Interest and other finance costs £000	Consolidated		University	
					2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Academic departments	372,480	73,043	1,547	–	447,070	422,617	447,070	422,617
Academic services	53,586	34,572	8,411	–	96,569	102,702	96,568	102,701
Central administration and services	54,465	25,743	920	–	81,128	79,515	81,271	79,635
General education expenditure	17,299	58,133	–	–	75,432	65,797	75,432	65,797
Staff and student facilities	16,302	15,733	775	–	32,810	32,187	32,811	32,187
Premises	38,580	87,813	39,384	–	165,777	154,900	165,777	154,901
Residence and catering operations	9,983	63,674	816	4,261	78,734	66,309	78,735	66,309
Research grants and contracts	124,538	58,046	3,892	–	186,476	172,011	186,476	172,011
Pension provision costs	(87,829)	–	–	13,497	(74,332)	283,778	(74,332)	283,778
Other costs	21	425	–	11,588	12,034	16,824	12,032	16,825
Total expenditure	599,425	417,182	55,745	29,346	1,101,698	1,396,640	1,101,840	1,396,761

Cost reimbursed by NHS Trusts

Included in the University's expenditure the following costs were reimbursed by the NHS Trusts which form the King's Health Partnership, and other NHS Trusts the University provides services to.

12. Analysis of total expenditure by activity (continued)

	Staff costs £000	Other operating expenditure £000	Depreciation and amortisation £000	Interest and other finance costs £000	Consolidated		University	
					2022-23	2021-22	2022-23	2021-22
					£000	£000	£000	£000
Academic departments – costs reimbursed by NHS	13,091	–	–	–	13,091	14,758	13,091	14,758
Academic departments – clinical excellence awards	6,103	–	–	–	6,103	6,578	6,103	6,578
Academic departments – services rendered to NHS	7,736	9,959	208	–	17,903	14,658	17,903	14,658
Central administration and services	77	–	–	–	77	447	77	447
	27,007	9,959	208	–	37,174	36,441	37,174	36,441

Auditor's remuneration

Consolidated

2022-23	2021-22
£000	£000

External auditors' remuneration in respect of audit services:

University financial statements	111	89
Subsidiary financial statements	15	14
US GAAP financial statements	–	50
US Loans and NCTL certifications	17	15
	143	168

External auditors' remuneration in respect of non-audit services:

Corporation and other Tax	25	43
Total remuneration paid to external auditors	168	211

Consolidated

2022-23	2021-22
£000	£000

Other operating expenses include:

Operating lease rentals:		
• land and buildings	81,324	64,113
• other	20	20

13. Taxation

	Consolidated		University	
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Current tax				
Current tax expense	21	4	–	–
Total Tax Expense	21	4	–	–
Factors effecting the tax charge				
Surplus before taxation	129,287	(244,832)	129,205	(244,899)
UK corporation tax at 19% / 25%	24,565	(46,518)	24,549	(46,531)
Surplus falling within charitable exemption	(24,565)	46,518	(24,549)	46,531
Other differences attributable to subsidiaries	21	4	–	–
Total Tax Expense	21	4	–	–

The Council does not believe that the University is liable for any additional corporation tax arising out of its activities during the year.

14. Intangible assets

Consolidated and University	Assets in the course of construction		Total £000
	IT Systems £000	£000	
Cost			
At 1 August 2022	37,810	15,884	53,694
Transfers	6,946	(7,342)	(396)
Additions	356	7,254	7,610
Disposals	–	–	–
At 31 July 2023	45,112	15,796	60,908
Amortisation			
At 1 August 2022	(14,494)	–	(14,494)
Charge for the year	(7,307)	–	(7,307)
Eliminated on disposals	–	–	–
At 31 July 2023	(21,801)	–	(21,801)
Net book value			
At 1 August 2022	23,316	15,884	39,200
At 31 July 2023	23,311	15,796	39,107

15. Tangible assets

Consolidated	Freehold		Leasehold Land and buildings £000	Plant £000	Furniture and equipment £000	Leased equipment £000	Assets in the course of construction £000	Total £000
	Land £000	Buildings £000						
Cost								
At 1 August 2022	577,982	420,414	592,508	232,166	229,916	21,733	100,915	2,175,634
Additions	–	422	2,201	6,217	14,948	–	45,207	68,995
Revaluation adjustment	(50,726)	–	–	–	–	–	–	(50,726)
Transfers	–	20,467	943	50,316	9,113	–	(80,443)	396
Disposals	–	–	(224)	(88)	(3,500)	–	(16)	(3,828)
At 31 July 2023	527,256	441,303	595,428	288,611	250,477	21,733	65,663	2,190,471
Depreciation								
At 1 August 2022	–	(113,871)	(182,829)	(89,951)	(194,185)	(21,733)	–	(602,569)
Charge for year	–	(7,257)	(12,912)	(16,002)	(12,267)	–	–	(48,438)
Eliminated in disposal	–	–	17	24	2,239	–	–	2,280
At 31 July 2023	–	(121,128)	(195,724)	(105,929)	(204,213)	(21,733)	–	(648,727)
Net book value								
At 1 August 2022	577,982	306,543	409,679	142,215	35,731	–	100,915	1,573,065
At 31 July 2023	527,256	320,175	399,704	182,682	46,264	–	65,663	1,541,744
University								
	Land £000	Freehold Buildings £000	Leasehold Land and buildings £000	Plant £000	Furniture and equipment £000	Leased equipment £000	Assets in the course of construction £000	Total £000
Cost								
At 1 August 2022	577,982	421,487	593,479	232,019	229,626	21,733	100,915	2,177,241
Additions	–	422	2,201	6,217	14,946	–	45,207	68,993
Revaluation adjustment	(50,726)	–	–	–	–	–	–	(50,726)
Transfers	–	20,467	719	50,316	9,113	–	(80,443)	172
Disposals	–	–	–	(88)	(3,500)	–	(16)	(3,604)
At 31 July 2023	527,256	442,376	596,399	288,464	250,185	21,733	65,663	2,192,076
Depreciation								
At 1 August 2022	–	(113,954)	(182,908)	(89,764)	(193,885)	(21,733)	–	(602,244)
Charge for year	–	(7,278)	(12,931)	(15,981)	(12,276)	–	–	(48,466)
Eliminated in disposal	–	–	17	24	2,239	–	–	2,280
At 31 July 2023	–	(121,232)	(195,822)	(105,721)	(203,922)	(21,733)	–	(648,430)
Net book value								
At 1 August 2022	577,982	307,533	410,571	142,255	35,741	–	100,915	1,574,997
At 31 July 2023	527,256	321,144	400,577	182,743	46,263	–	65,663	1,543,646

In 2019-20 the University adopted a policy of revaluing freehold land to fair value. The University believes that the fair value better reflects the true value of the University's freehold land assets.

Freehold land was revalued to fair value as at 31 July 2023 by an independent Chartered Surveyor, Gerald Eve, in accordance with the RICS Valuation – Global Standards (January 2020 edition, updated January 2022) and FRS 102. The fair value of land is based on either open market value (operational assets) or depreciated replacement cost (specialised assets). Freehold land values are assessed annually for material changes in their values from market changes.

If a revaluation policy had not been adopted for freehold land it would have a net book value of £93,661k.

Included within leasehold land and buildings are a number of properties that are shared with third parties where title documentation may not exist at the present time. The net book value of these is £51,361k (2022: 53,193k).

16. Heritage assets

Heritage assets include a unique, internationally significant and continually expanding range of archival and printed sources, exhibits and pictures. These resources are available for use by the staff and students of King's, the wider academic community and any member of the public who has an interest in the University's holdings. Items may be acquired by gift, bequest, exchange or purchase on the open market.

King's aims to preserve all material in perpetuity in its original format. Surrogate copies may be created for dissemination, or where items are of exceptional rarity or delicacy. All preservation and conservation costs are charged to the Consolidated Statement of Comprehensive Income and Expenditure Account

The principal collections are:

Archives

These comprise not only the archives of the University, but also those of organisations that it has founded or with which it has merged. Additionally, they contain the research papers of former staff and students, including Maurice Wilkins, Eric Mottram and Sir Charles Wheatstone.

The Liddell Hart Centre for Military Archives is a leading repository for research into modern defence policy in Britain. Private papers of over 700 senior defence personnel who held office from 1900 onwards form the core of this collection.

The archives consist of some five million documents.

Special Collections

The Foyle Special Collections Library houses maps, slides, sound recordings and manuscripts as well as over 150,000 printed works. Ranging in date from the fifteenth century to the present day and covering all subject areas, the collections are particularly strong in medicine, science, voyages and travels, the history of Greece and the Eastern Mediterranean, European military and diplomatic history, the history of the British Empire, twentieth-century Germany and Jewish and Christian theology.

The largest section, the FCO Historical Collection, comprises material from the former library of the Foreign & Commonwealth Office, transferred to King's in 2007, and contains over 60,000 items. Topics it covers in depth include: exploration, discovery and travel; war and cold war; diplomacy and peace-keeping; the growth, rule and decline of empires; colonial emigration and settlement; the growth and abolition of the Atlantic slave trade; trade, transport and communication; and anthropology and natural history. Although held by the University, this collection is owned by a separate company, King's College Foreign & Commonwealth Office Library Ltd, which is independent of the University.

Gordon Museum

The Gordon Museum has a large and growing teaching collection of approximately 8,000 pathological specimens with specialised sub-areas on such subjects as Forensic Medicine and HIV/AIDS. It also houses a number of important historic collections: the Joseph Towne anatomical and dermatological wax models, the Lam Qua paintings, and specimens and artefacts acquired by Thomas Hodgkin, Thomas Addison, Richard Bright and Sir Astley Cooper.

King George III Collection

This collection of eighteenth-century scientific apparatus is on loan to the Science Museum. It consists of equipment assembled during the 1750s by the natural scientist and astronomer Stephen Demainbray for use in public lectures and apparatus commissioned in 1761 by King George III from the instrument maker George Adams for the entertainment and instruction of the royal family.

Further information on all of these collections is available on the University website, kcl.ac.uk

No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £50,000. Earlier acquisitions are not capitalised because cost or acquisition values are unavailable for the majority of the assets and the benefit of a professional valuation would be outweighed by the related costs. Any valuation would necessarily be imprecise and prey to changing fashions and fluctuating market trends due to the unique nature of the assets..

17. Investments

	Investment property £000	Francis Crick Institute £000	Other investments £000	Consolidated and University	
				Total 2023 £000	Total 2022 £000
At 1 August	27,214	35,200	1,531	63,945	64,649
Additions	–	–	31	31	50
Gain/(impairment)	(3,515)	(800)	–	(4,315)	(754)
At 31 July	23,699	34,400	1,562	59,661	63,945

During 2021-22 there was a sale of shares in a spin-out for the sum of £11,128k. This was held at £nil NBV, thus it is not included above.

Subsidiary undertakings

Entity	Nature of activity	Nature of entity	Relationship with University	Interest
King's Talent Bank Ltd	Employment agency	Company limited by shares	Wholly owned subsidiary	100%
King's College London Business Ltd	Provision of Information technology support	Company limited by shares	Wholly owned subsidiary	100%
College Facilities Ltd	Facilities management services	Company limited by shares	Wholly owned subsidiary	100%
KCL Ventures Ltd	Dormant	Company limited by shares	Wholly owned subsidiary	100%

All subsidiaries and associated undertakings are incorporated in England and Wales and prepare accounts to 31 July each year. The total value of capital invested in subsidiary undertakings is £4 (2021-22 £4).

Joint ventures

	KHP MedTech Innovations Ltd £000	TEDI-London £000	Consolidated and University	
			Total 2023 £000	Total 2022 £000
At 1 August	1,632	–	1,632	432
Additions	1,200	–	1,200	1,200
At 31 July	2,832	–	2,832	1,632

Entity	Nature of activity	Nature of entity	Relationship with University	Interest
TEDI-London	Tertiary education	Company limited by guarantee	Joint venture	33%
KHP MedTech Innovations Ltd	Commercialisation of innovation	Company limited by shares	Joint venture	40%

TEDI-London is joint venture between King's College London, the University of New South Wales, and Arizona State University to set up a new provider of higher education in the field of engineering, with a focus on attracting and empowering students and partners from diverse backgrounds and perspectives. The company was incorporated in 2019 in England and Wales and is limited by guarantee with each venturer being a one third member of the guarantee, and with the right to appoint one third of the company's directors. King's College London's share of the guarantee is £10.

For the purposes of the preparation of these financial statements TEDI-London represents a jointly controlled entity, and it is accounted for under equity method as per section 15 of FRS 102, with the University recognising its share of the net assets and annual surplus of the company. TEDI-London accepted its first cohort of students in 2021-22, however the company is in a net liability position, in line with section 15 of FRS 102 the University has not recognised TEDI-London within these financial statements as its share of the company is currently worth less than its original investment.

KHP MedTech Innovations Ltd is a joint venture of the King's Health Partners (King's College London, Guy's and St Thomas' NHS Foundation Trust, King's College Hospital NHS Foundation Trust) to form a company for the purposes of commercialising medical technology innovation. The company was incorporated on 25 January 2021 and the University subscribed for its shareholdings on 12 April 2021. As at KHP MedTech Innovations Ltd year end (31 March 2023), it had incurred a loss not material to King's College London as it is still in its start-up phase, for this reason the investment continues to be held at the initial investment value rather than the University's share of the net assets of the company.

17. Investments (continued)

Other unconsolidated undertakings

Entity	Nature of activity	Nature of entity	Relationship with University	Interest
The Francis Crick Institute Ltd	Biomedical research	Company limited by shares	Investment	17%
Rosalind Franklin Institute	Health research	Company limited by guarantee	Investment	9%

18. Endowment investments

	Consolidated and University	
	2022-23 £000	2021-22 £000
Balance at 1 August	291,094	300,600
Additions	40,363	16,109
Disposals	(37,897)	(14,605)
Appreciation/ (Depreciation)	4,541	(8,617)
Increase/(decrease) in cash balances	2,881	(2,393)
Balance at 31 July	300,982	291,094
Fixed interest stocks	35,302	23,524
Equities	242,515	247,286
Bank balances	23,165	20,284
	300,982	291,094
Fixed interest and equities at cost	215,583	204,353

19. Trade and other debtors

	Consolidated		University	
	2023 £000	2022 £000	2023 £000	2022 £000
Amounts falling due within one year:				
Trade debtors	31,462	23,976	31,461	23,976
Other debtors	9,056	9,215	9,059	9,215
Research grant debtors	18,085	16,629	18,085	16,629
Research grant work in progress	63,451	51,908	63,451	51,907
Prepayments and accrued income	59,779	50,154	58,491	49,321
Amounts owed by group undertakings	925	–	1,286	850
	182,758	151,882	181,833	151,898

20. Creditors: amounts falling due within one year

	Consolidated		University	
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors	6,863	5,251	6,841	5,237
Deferred income	239,087	223,362	238,511	222,830
Other creditors and accruals	152,925	162,340	152,398	161,800
Holiday pay accrual	13,025	11,438	12,522	10,988
Social security and other taxation payable	12,740	17,052	12,170	16,534
Current element of long-term liabilities (note 22)	4,656	4,368	4,656	4,368
	429,296	423,811	427,098	421,757

20. Creditors: amounts falling due within one year (continued)

Deferred income includes the following items of income which have been deferred until specific performance related-conditions have been met;

	Consolidated		University	
	2023 £000	2022 £000	2023 £000	2022 £000
Research grants received on account	146,380	137,179	146,380	137,179
Other income	41,735	40,320	41,159	39,788
Donations	19,164	17,891	19,164	17,891
Tuition fees	30,490	26,847	30,490	26,847
Other deposits	1,318	1,125	1,318	1,125
	239,087	223,362	238,511	222,830

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

	Consolidated and University	
	2023 £000	2022 £000
Loans (<i>note 22</i>)	402,345	407,047
Long-term borrowings	402,345	407,047
Lease premium on investment property	16,084	16,953
Long-term creditors	418,429	424,000

Loans totalling £24,430k are secured on a portion of the freehold land and buildings of the University.

The lease premium on investment property arises from the granting of a lease by King's for a term of 99 years with a yearly peppercorn rent. The lease has a break clause after 25 years, over which period the lease premium is being released to income.

22. Borrowings

	Consolidated and University	
	2023 £000	2022 £000
	Loans	
Obligations under finance leases fall due and loans are repayable as follows:		
Between one and two years	5,266	4,666
Between two and five years	14,509	17,909
Total between one and five years	19,775	22,575
Over five years	382,570	384,472
Total over one year (<i>note 21</i>)	402,345	407,047
Within one year (<i>note 20</i>)	4,656	4,368
	407,001	411,415

On 27 April 2001, the University issued £60m Senior Notes (Notes) with a fixed interest rate of 6.22%. The principal amount is repayable on 27 April 2031. Interest payments are semi-annual, on 27 April and 27 October. The University, at its option, may prepay at any time all or part of the Notes, in an amount not less than 10% of the aggregate principal amount of the Notes then outstanding, at 100% of the principal amount so prepaid, plus the discounted value of the remaining scheduled payments with respect to the principal amount. As at the year end, it is the University's intention to hold the Notes until its final maturity date.

22. Borrowings (continued)

On 16 May 2008, the University received a £60m unsecured loan with an integral swap agreement to provide a fixed interest rate of 4.855%, repayable on 16 May 2048.

On 21 May 2015, the University issued £55m of senior unsecured notes with a fixed interest rate of 2.85%, due 21 May 2035.

On 21 May 2015, the University issued £60m of senior unsecured notes with a fixed interest rate of 3.03%, due 21 May 2040.

On 21 May 2015, the University issued £20m of senior unsecured notes with a fixed interest rate of 3.08%, due 21 May 2050.

On 16 June 2021, the University issued £37m of senior sustainable notes 2021 with a fixed interest rate of 2.07%, due 16 June 2061.

On 16 June 2021, the University issued £40m of senior sustainable notes 2021 with a fixed interest rate of 2.11%, due 16 June 2066.

On 16 June 2021, the University issued £28m of senior sustainable notes 2021 with a fixed interest rate of 2.12%, due 16 June 2071.

On 16 March 2022, the University issued £20m of senior sustainable notes 2022 with a fixed interest rate of 2.08% due 16 March 2050

23. Pension provisions

	Consolidated and University	
	USS £000	Total £000
		Obligation to fund deficit on pension
At 1 August 2022	405,304	405,304
Deficit contributions paid during the year	(19,348)	(19,348)
Additional discount rate interest charge for the year	13,497	13,497
Movement to reflect changes in salary growth assumptions	(68,481)	(68,481)
At 31 July 2023	330,972	330,972

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for the total payments relating to benefits arising from past performance. In calculating the current value of the USS provision a discount rate of 5.49% (2022: 3.33%) has been used based upon a Mercer UK corporate bond yield curve. Salary inflation and headcount changes up to 2027-28 are in line with the University's 5 year financial plans, after this date headcount is assumed to not change and salaries will continue to increase at the same rate as for 2027-28 under the 5 year financial plan.

The provision has been calculated based upon the adoption of a deficit recovery plan based on the 2020 actuarial valuation (the only agreed valuation and deficit recovery plan as at the balance sheet date), which has significantly decreased the technical deficit on the scheme.

The deficit recovery plan requires employer contributions of 6.2% over the period 1 April 2022 to 1 April 2024, at which point the rate will increase to 6.3%.

Sensitivity analysis

Change in assumptions at 31 July 2023	Approximate increase/ (decrease) in provision £m	
	+0.5%	-0.5%
Discount rate	(12.2)	12.8
Long-term salary inflation	12.8	(12.2)
Long-term head count increase	12.5	(12.0)

24. Other provisions

	Consolidated and University	
	Leasehold dilapidations	
	£000	
At 1 August 2022	4,653	
Utilised in year	-	
Transferred from Income and Expenditure Account during the year	297	
At 31 July 2023	4,950	

As explained in the Statement of Principal Accounting Policies, no provision has been made for the deferred tax on the grounds that the subsidiary companies transfer their taxable profits by gift aid to the University and therefore no deferred tax assets or liability will be realised.

25. Restricted reserves

	Consolidated and University	
	2023 Total £000	2022 Total £000
At 1 August	11,925	4,741
Income	25,998	19,196
Expenditure	(15,810)	(15,725)
Net restricted income for the year	10,188	3,471
Transfer from/(to) unrestricted reserves	(2,079)	3,713
At 31 July	20,034	11,925

26. Endowment reserves

	Consolidated and University					
	Original gift £000	Restricted permanent Unapplied total return £000	Total £000	Restricted expendible Total £000	2022-23 Total £000	2021-22 Total £000
Capital at 1 August	88,636	167,678	256,314	34,780	291,094	300,600
New donations and endowments	7,002	–	7,002	2,651	9,653	3,844
Change in market value of endowment investments	–	4,026	4,026	515	4,541	(8,617)
Investment income	–	2,549	2,549	320	2,869	2,425
Expenditure	–	(5,391)	(5,391)	(1,784)	(7,175)	(7,158)
At 31 July	95,638	168,862	264,500	36,482	300,982	291,094
Represented by:						
Capital	95,638	149,437	245,075	34,981	280,056	274,479
Accumulated income	–	19,425	19,425	1,501	20,926	16,615
	95,638	168,862	264,500	36,482	300,982	291,094

The University has adopted a total return endowment investment management policy for permanent endowments following receipt of an order from the Charity Commission under Section 105 of the Charities Act 2011.

Following advice from its investment consultants, Cambridge Associates, the University's Investment subcommittee has adopted a total return spending rate of 4% using the trailing market value rule applied to the average ending portfolio value over the previous 12 quarters. There is a proviso that this spending rate will be reviewed annually in the case of abnormal market conditions such as high levels of inflation or if there was a fundamental change to the portfolio composition.

26. Endowment reserves (continued)

	At 1 August 2022 £000	Additions and transfers £000	Change in market value £000	Total return income £000	Expenditure £000	At 31 July 2023 £000
Funds with a balance under £5,000,000						
Chairs and lectureships (180 funds)	140,019	2,651	(1,781)	5,448	(4,548)	141,789
Scholarships (163 funds)	36,329	2	(462)	1,306	(592)	36,583
Other funds (68 funds)	21,870	–	(276)	731	(180)	22,145
Prize funds (260 funds)	12,964	–	(169)	431	(20)	13,206
Funds with a balance over £5,000,000						
Newland-Pedley General Fund	22,924	–	(296)	783	(606)	22,805
Dimbleby Endowment Fund	11,758	–	(154)	405	(307)	11,702
Lau China Institute Donation	13,033	–	(172)	454	(427)	12,888
Yeoh Tiong Lay Centre Donation	8,466	–	(115)	303	(303)	8,351
Richard Dickinson USA Fund	7,794	–	(100)	263	(29)	7,928
The Joan Reece Chair in Immuno-Oncology	–	7,000	293	193	–	7,486
Chair in Translational Neurodevelopment	5,742	–	(68)	178	(34)	5,818
Herbert Dunhill Chair of Rehabilitation	5,147	–	(66)	176	(129)	5,128
Lacey Travelling Bursaries	5,048	–	(65)	170	–	5,153
Total return from capital gains	–	–	7,972	(7,972)	–	–
	291,094	9,653	4,541	2,869	(7,175)	300,982

The Newland-Pedley Fund is used to support the Faculty of Dentistry, Oral & Craniofacial Sciences.

The Dimbleby Endowment Fund is used for cancer research.

The Lau China Institute Donation supports academic posts in the Lau China Institute.

The Yeoh Tiong Lay Centre donation supports academic posts in the Yeoh Tiong Lay Centre for Politics, Philosophy and Law.

The Richard Dickinson USA Fund is used for research and training fellowships in dentistry.

The Joan Reece Chair supports a post in Immuno-Oncology.

The Chair in Translational Neurodevelopment supports a post.

The Herbert Dunhill Chair supports a post in rehabilitation.

The Lacey Travelling Bursaries supports students undertaking cultural and educational visits to France.

27. Unrestricted reserves

	Consolidated	University
	£000	£000
Balance at 1 August 2022	454,975	457,005
Surplus after depreciation of assets at cost and tax	109,190	109,129
Transfer from restricted reserves	2,079	2,079
Balance at 31 July 2023	<u>566,244</u>	<u>568,213</u>
The reserves are:		
Income and expenditure reserve, which is nominally allocated to:		
Capital reserve	689,720	691,622
Departmental reserves	87,932	87,932
Pension reserve	(330,972)	(330,972)
Revenue reserve	119,564	119,631
General reserves	(123,476)	(123,409)
Total income and expenditure reserve	<u>566,244</u>	<u>568,213</u>

The capital reserve is equivalent to the amount by which the value of tangible fixed assets in the Balance Sheet exceeds long-term creditors. The reserve is set aside to fund depreciation charges on assets that are not being funded by future cash flows.

28. Consolidated reconciliation of net debt

	2022-23	
	£000	
Net debt 1 August 2022	32,150	
Movement in cash and cash equivalents	1,846	
Movement on accrued interest	(45)	
Repayment of amounts borrowed	(4,371)	
New loans	–	
Other non-cash changes	–	
Net debt 31 July 2023	<u>29,582</u>	
Change in net debt	<u>(2,568)</u>	
Analysis of net debt		
	31 July 2023	31 July 2022
	£000	£000
Cash and cash equivalents	377,419	379,265
Borrowings: amounts falling due within one year		
Secured loans	4,656	3,337
Unsecured loans	–	1,031
	<u>4,656</u>	<u>4,368</u>
Borrowings: amounts falling due after more than one year		
Secured loans	19,775	24,421
Unsecured loans	382,570	382,626
	<u>402,345</u>	<u>407,047</u>
Net debt	<u>29,582</u>	<u>32,150</u>

A debt repayment fund of £21.3m was set up in 2020-21. It has been opened in order to save funds for eventual debt repayments when these fall due from 2031.

As the fund is elective and not contractually required by the debt funders this is not disclosed separately.

29. Capital commitments

	Consolidated and University	
	2023 £000	2022 £000
Commitments contracted at 31 July	32,994	62,375
Commitments authorised but not contracted at 31 July	50,842	21,100
	83,836	83,475

30. Pensions

The three principal pension schemes in which the University participates are the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the National Health Service Pension Scheme (NHSPS).

Pensions costs for the University and its subsidiaries

	Consolidated		University	
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Contributions to USS	67,406	60,967	67,406	60,967
Contributions to SAUL	17,702	13,518	17,702	13,518
Contributions to NHSPS	4,493	4,486	4,493	4,486
Contributions to other pension schemes	1,858	675	1,255	183
	91,459	79,646	90,856	79,154
Contributions for funding of deficit relating to prior service	(19,348)	(6,863)	(19,348)	(6,863)
Pension contributions included within capital projects	(12)	(57)	(12)	(57)
	72,099	72,726	71,496	72,234
Pension contributions included within staff costs				
Movement on pension provision within staff costs	(68,481)	289,559	(68,481)	289,559
	3,618	362,285	3,015	361,793

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

Deficit recovery contributions due within one year for the institution are currently estimated to be approximately £21.7m.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%

30. Pensions (continued)

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

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

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

2020 valuation

Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectations on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan.

Contribution rates for the Scheme are as follows:

	Members	Employers
1 April 2019 to 30 September 2021 (2018 scheme valuation)	9.6%	21.1%
1 October 2021 to 30 March 2022 (2020 scheme valuation)	9.8%	21.6%
From 1 April 2022 (2022 scheme valuation)	9.8%	21.4%

These contribution rates changed with the agreement of a new deficit funding plan based upon the 31 March 2020 valuation.

The main members' benefits of the scheme as at the date of these financial statements are as follows:

- Defined benefit accrual is on a career revalued benefits basis for all members, with a pension accrual of 1/85th and a cash lump sum of 3/85ths of salary for each year of service in respect of salary up to a salary threshold of £40,000 p.a.
- Above the salary threshold both member contributions and employer contributions not related to deficit funding are paid into a defined contribution scheme.
- Optional additional employee contributions are payable into the defined contribution section of the scheme.

30. Pensions (continued)

Superannuation Arrangements of the University of London (SAUL)

The University participates in SAUL, which provides benefits for some non-academic employees. The scheme is a centralised defined benefit scheme and was contracted out of the Second State Pension until April 2016. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University 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. Thus, as required by Section 28 of FRS102, 'Employee benefits', it accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

The latest available triennial actuarial valuation of the scheme was as at 31 March 2020; it was carried out by a professionally qualified and independent actuary using the projected unit method. Informal reviews of the scheme's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The 2020 valuation was the fifth valuation for SAUL under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £3,612 billion and the value of the scheme's technical provisions was £3,829 billion, indicating a shortfall of £217 billion. The assets were therefore sufficient to cover only 94% of the benefits that had accrued to members after allowing for expected future increases in earnings.

Market movements between the valuation date and finalisation of the valuation were positive, and the Trustee and Employers agreed to allow for post-valuation experience up to 30 April 2021 at which point SAUL was estimated to have a technical surplus of £357m, and no deficit funding plan is required.

The Trustee and the Employers have agreed that employer contributions will increase from 16% of CARE Salary to 19% of CARE Salary from 1 April 2022 and then to 21% of CARE Salary from 1 January 2023

The members' benefits are as follows:

- All members accrue benefits on a Career Average Revalued Earnings (CARE) basis, at an accrual rate of 1/75th of CARE salary.
- For pensions accrued after 1 April 2016, increases in payment will be in line with CPI, capped at 2.5% p.a.

National Health Service Pension Scheme (NHSPS)

The University also participates in the NHSPS, which is available to staff who were members of that scheme immediately prior to appointment at the University. This is a statutory, unfunded, multi-employer, defined benefit scheme in which the University is unable to identify its share of the underlying liabilities and assets, and it is therefore accounted for on a contribution basis.

From April 2019 University contributions to the scheme were 20.68% of salary, but of these 3.8% are covered by the Department of Health and Social Care and are not a cost to the University.

31. Related party transactions

The University maintains a register of the interests of the members of Council and of its standing committees, which is published on its website: kcl.ac.uk/about/assets/pdf/council/register-of-interests-log.pdf

Due to the nature of the University's operations and the composition of its Council and committees, it is possible that there will be transactions from time to time between the University and organisations with which members of Council and its committees have relationships. If such transactions do occur, they are conducted on an arm's-length basis and in compliance with the University's Financial Regulations and procurement policies.

These financial statements reflect the following transactions with related parties which were undertaken on an arms length basis and under normal commercial terms;

Name	Nature of interest	Consolidated and University 2022-23		Consolidated and University 2021-22	
		Income/ (Expenses) £000	Amount due from/(to) £000	Income/ (Expenses) £000	Amount due from/(to) £000
Church Commissioners ¹	Member of the Council was an employee	–	–	114.60	57.5
Cushman and Wakefield	Member of the Finance Committee is an employee	(106.2)	–	–	–
Guy's and St Thomas' Foundation (was Guy's and St Thomas' Charity)	Member of the Council was a Trustee	5,124.0 / (707.0)	2,216.2 / (5.6)	3,622.8 / (593.2)	91.8
MedCity Ltd	A Senior Officer of the University and Member of Council was a Director	25.0 / (18.2)	–	(89.2)	–
Russell Group	A Senior Officer of the University and Member of the Council and was a Board Member	(87.0)	–	(83.0)	–
Somerset House Trust	Member of the Council was a Trustee	27.5 / (1,810.5)	–	7.4 / (1,557.9)	–
UK Biobank Ltd	A Senior Officer of the University and Member of the Council was a Director	(91.7)	–	(50.9)	–
University of London	A Senior Officer of the University and Member of the Council was a Trustee	632.9 / (504.5)	1.0	482.2 / (822.0)	71.4
The Superannuation Arrangements of the University of London (SAUL) ²	A Senior Officer of the University and Member of Council was a Director				
King's College London Students' Union (KCLSU) ³	Member of the Council was President of the Union				

- The term of the member of the Council ceased on 31 July 2022.
- Refer to note 30 for details of annual contributions to the Superannuation Arrangements of the University of London (SAUL).
- King's College London Students' Union (Union) is an independent charity registered with the Charity Commission, of which the President is also a member of Council. In 2022-23 the University made an annual block grant payment of £4,519k to the Union (2021-22 £4,890k). The University also provides the union with building space with a notional rental income value of £3,267k for which no cash is exchanged and the University recognises as both rental income and notional grant expenditure (2021-22 £4,141k).

The University enjoys a close working relationship with Guy's & St Thomas', King's College Hospital and South London & Maudsley NHS Foundation Trusts under the name of King's Health Partners – an unincorporated associated that aims to combine the best of basic and translational research, clinical excellence and world-class teaching to deliver ground-breaking advances in physical and mental healthcare – which is accredited as an Academic Health Science Centre. The nature of the relationship with these NHS Trusts makes it difficult to quantify the value shown in the accounts each year. Senior staff of the University and members of Council may also hold senior positions in these organisations.

In addition the University has a close working relationship with both the King's Maths School and The Francis Crick Institute. King's was a founding member and shareholder in the Crick which is dedicated to understanding the fundamental biology underlying health and disease.

As a consequence there are recharges between these institutions, as disclosed in these accounts, and senior staff of the University may also hold senior positions in these organisations.

31. Related party transactions (continued)

The University has paid Francis Crick Institute £2,182k during the year as agreed contributions to overheads, studentships and reimbursement of other costs (£2,507.2k), and received £1,303.9k for seconded staff (2021-22 £577.6k). The University recognises an investment balance related to its initial £40m investment in the Institute.

King's Maths School was established as a Free school in partnership with King's College London to provide high quality maths education in the heart of London with the University maintaining a presence on the board of governors. During the year, the University has paid £91k to the School for widening participation (2021-22 £88k) and received £267.8k for rent, premises recharges and IT services (2021-22 £240k).

TEDI London is a joint venture during the year, the University has paid £989.4k as partner funding (2021-22 £1,322.7k).

The University has taken advantage of the exemptions under section 33 of FRS 102 for "100%" or "wholly" owned subsidiaries not to disclose intra-group transactions.

32. Training salaries

	Consolidated and University	
	2022-23 £000	2021-22 £000
Balance underspent at 1 August	38	(29)
Funding Council and Department for Education grants Disbursed to students	1,973 (1,908)	2,135 (2,068)
Balance underspent at 31 July	103	38

Funding Council and Department for Education grants are available solely for students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the Consolidated and University Statement of Comprehensive Income and Expenditure Account.

33. Financial instruments

	Consolidated		University	
	2022-23 £000	2021-22 £000	2022-23 £000	2021-22 £000
Financial assets				
<i>Financial assets at fair value through Statement of Comprehensive Income</i>				
Listed investments	277,817	270,810	277,817	270,810
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	1,561	1,531	1,561	1,531
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Cash and cash equivalents (including term deposits and cash held within endowment assets)	400,584	399,549	399,377	397,577
Other debtors	182,758	151,882	181,833	151,898
Financial liabilities				
<i>Financial liabilities measured at amortised cost</i>				
Loans	407,000	411,415	407,000	411,415
Trade creditors	6,863	5,251	6,841	5,237
Other creditors	422,433	414,192	420,257	412,152

35. US Department of Education required disclosure (continued)**34. Lease obligations**

Total rentals payable under operating leases:

	Consolidated and University			
	Land and buildings £000	Other leases £000	2023 Total £000	2022 Total £000
Payable during the year ended 31 July	81,324	20	81,344	64,133
Future minimum lease payments due:				
Not later than one year	76,603	22	76,625	59,321
Later than one year and not later than five years	255,609	88	255,697	204,397
Later than five years	435,267	53	435,320	380,305
Total lease payments due	767,479	163	767,642	644,023

35. US Department of Education required disclosure

The following table is provided solely in satisfaction of the University's obligations to facilitate access to US federal financial aid as required by the US Department of Education, and has been prepared and presented in-line with their specific requirements. All figures presented are based upon FRS 102 recognition and measurement principles, in line with the statement of accounting policies, and are presented in GBP. It is not advised that it be used for any other purpose and all values within it can be found elsewhere within these financial statements.

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

Primary Reserve Ratio

	Consolidated		Consolidated	
	£000	2022-23 £000	£000	2021-22 £000
	Expendable Net Assets		Expendable Net Assets	
Net Assets without Donor Restrictions				
Balance Sheet – Income and expenditure reserve – unrestricted	566,244		454,975	
Balance Sheet – Revaluation reserve	433,595		484,321	
		999,839		939,296
Net assets with donor restrictions				
Balance Sheet – Income and expenditure reserve – endowment reserve	300,982		291,094	
Balance Sheet – Income and expenditure reserve – restricted reserve	20,034		11,925	
		321,016		303,019
Secured and unsecured related party receivable				
Note 31 related party transactions				
Unsecured	2,212		221	
Unsecured related party receivable		2,212		221
Property plant and equipment net (includes Construction in progress)				
Minus lease right of use asset	–		–	
Balance Sheet – Tangible Assets	1,541,744		1,573,065	
	1,541,744		1,573,065	
Property, plant and equipment – pre-implementation		1,476,081		1,472,150
Property, plant and equipment – post implementation with outstanding debt for original purchase		–		–
Property, plant and equipment – post implementation without outstanding debt for original purchase		–		–
Construction in progress – Note 15 Assets in the course of construction		65,663		100,915

35. US Department of Education required disclosure (continued)**Primary Reserve Ratio (continued)**

	Consolidated		Consolidated	
	£000	2022-23 £000	£000	2021-22 £000
	Expendable Net Assets		Expendable Net Assets	
Lease right of use asset				
Asset equal in value to lease right of use liability	–		–	
Lease right of use asset pre-implementation		–		–
Lease right of use asset post-implementation		–		–
Intangible assets				
Balance sheet – Intangible assets		39,107		39,200
Post-employment and pension liabilities				
Balance sheet – Pension Provision		330,972		405,304
Long-term debt for long term purposes				
Note 21 Creditors: Amounts falling due after more than one year – Loans	402,345		407,047	
Note 20 Creditors: Amounts Falling due within one year – Current element of long-term liabilities	4,656		4,368	
	407,001		411,415	
Long-term debt for long term purposes – pre-implementation		407,001		411,415
Long-term debt for long term purposes – post-implementation		–		–
Line of credit for Construction in process		–		–
Lease right-of-use asset liability				
Note 21 Creditors: Amounts falling due after more than one year – Obligations under finance leases less term deposits for repayment less term deposits for repayment	–		–	
Note 20 Creditors: Amounts falling due within one year – Obligations under finance leases minus term deposit	–		–	
	–		–	
Pre-implementation right of use leases		–		–
Post-implementation right of use leases		–		–
Annuities with donor restrictions		–		–
Term endowments with donor restrictions				
Note 26 Endowment Reserves – Restricted Expendable		36,482		34,780
Life income funds with donor restrictions				
Balance Sheet – Income and expenditure reserve – restricted reserve		20,034		11,925
Net assets with donor restrictions: restricted in perpetuity				
Note 26 Endowment Reserves – Restricted Permanent		264,500		256,314

35. US Department of Education required disclosure (continued)**Primary Reserve Ratio** (continued)

	Consolidated		Consolidated	
	£000	2022-23 £000	£000	2021-22 £000
	Total Expenses and Losses		Total Expenses and Losses	
Total expenses without donor restrictions				
Education and research expenses;				
• I&E – Staff costs (minus residences, catering and conferencing staff costs as per note 12)	657,923		616,068	
• I&E – Other operating expenditure	417,182		406,164	
• Minus residences, catering and conferencing operating costs – note 12	(63,674)		(51,542)	
• Minus endowment spend – Note 26 Endowment reserves – Expenditure	(7,175)		(7,158)	
• Minus restricted spend – Note 25 Restricted reserves – Expenditure	(15,810)		(15,725)	
Depreciation and amortization – I&E Depciation	55,745		59,232	
Interest expense – I&E Interest and other finance costs	29,346		17,334	
Auxiliary enterprises;				
I&E – Taxation	21		4	
Note 12 – Residences catering and conference Staff and operating costs	73,657		59,825	
		1,147,215		1,084,202
Non-Operating and Net Investment (loss)				
Investment return appropriated for spending	–		–	
Other gains(losses) – I&E – Gain/(loss) on other investments	–		(11,128)	
Investments, net of annual spending, gain(loss) – I&E Gain/(loss) on property investment	3,515		(46)	
Other components of net periodic pension costs	–		–	
Pension-related changes other than net periodic pension costs – I&E Staff costs – movement on USS pension provision	(68,481)		289,559	
Change in value of split-interest agreements	–		–	
Other gains (losses) – I&E – Unrealised surplus on revaluation of tangible assets	50,726		–	
Sales of fixed assets, gains (losses) – I&E – Gain on disposal of fixed assets	–		–	
		(14,240)		278,385
Net investment losses				
Investment return appropriated for spending	–		–	
Other gains(losses) – I&E – Gain/(loss) on other investments	–		(11,128)	
Investments, net of annual spending, gain(loss) – I&E Gain/ (loss) on property investment	3,515		(46)	
		3,515		(11,174)
Pension-related changes other than net periodic costs				
I&E Staff costs – movement on USS pension provision		(68,481)		289,559

Equity Ratio

	Consolidated		Consolidated	
	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000
	Modified Net Assets		Modified Net Assets	
Net Assets without Donor Restrictions				
Balance Sheet – Income and expenditure reserve – unrestricted	566,244		454,975	
Balance Sheet – Revaluation reserve	433,595		484,321	
		999,839		939,296
Net assets with donor restrictions				
Balance Sheet – Income and expenditure reserve – endowment reserve	300,982		291,094	
Balance Sheet – Income and expenditure reserve – restricted reserve	20,034		11,925	
		321,016		303,019
Intangible assets				
Balance sheet – Intangible assets	39,107		39,200	
Secured and unsecured related party receivable				
<i>Note 31 related party transactions</i>				
Unsecured	2,212		221	
Unsecured related party receivable		2,212		221
	Modified Assets		Modified Assets	
Total assets				
Balance sheet – Non-current assets	1,944,325		1,968,936	
Balance sheet – Current Assets	560,177		531,147	
		2,504,502		2,500,083
Lease right-of-use asset				
Note 21 Creditors: Amounts falling due after more than one year – Obligations under finance leases less term deposits for repayment less term deposits for repayment	–		–	
Note 20 Creditors: Amounts falling due within one year – Obligations under finance leases minus term deposit	–		–	
Pre-implementation right of use leases		–		–
Post-implementation right of use leases		–		–
Intangible assets				
Balance sheet – Intangible assets	39,107		39,200	
Secured and unsecured related party receivable				
<i>Note 31 related party transactions</i>				
Unsecured	2,212		221	
Unsecured related party receivable		2,212		221

Net Income Ratio

	Consolidated		Consolidated	
	£000	2022-23 £000	£000	2021-22 £000
Changes in Net Assets Without Donor Restrictions				
I&E – Unrestricted comprehensive income for the year	109,190		(238,801)	
I&E – Revaluation reserve comprehensive income for the year	(50,726)		–	
		58,464		(238,801)
Total Revenue and Gains				
Tuition and fees, net – I&E Tuition Fee and education contracts	607,815		610,493	
Contributions;				
Grants and contracts – including research;				
• I&E – Funding Body Grants	148,294		138,971	
• I&E – Research grants and contracts	236,276		221,164	
Private gifts and grants;				
• I&E – Donations and Endowments	28,920		11,209	
• Minus new endowments (Note 7)	(9,653)		(3,844)	
• Minus restricted income (Note 25)	(25,998)		(19,196)	
Other revenues – I&E Other Income (minus auxiliary enterprises income)	121,585		105,331	
Investment income – Note 6 Investment Income – Other interest receivable and other investment income	15,103		2,201	
Auxiliary enterprises – Note 4 Other Income – Residences, catering and conferencing	69,097		57,457	
Net assets released from restrictions	–		–	
		1,191,439		1,123,786

