

Company Registration No. 986761



Report and Financial Statements
31 July 2025

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Directors' and Strategic Report

Status and Advisors

This Directors' and Strategic Report is that of the University and its consolidated subsidiaries, South Bank Colleges, South Bank University Enterprises Limited and SW4 Catering Ltd (The LSBU Group).

London South Bank University (LSBU) was incorporated on 12 August 1970. It is registered at Companies House under company number 986761 and its registered address is 103 Borough Road, London, SE1 0AA. LSBU is a company limited by guarantee and has no share capital.

The governing body of the University is responsible for the effective stewardship of the University and has control of the revenue and the property of the University. The University's corporate governance arrangements are described from page 27 and the members of the Board of Governors during the year ended 31 July 2025 are listed from page 3. The Governors are also directors under the Companies Act 2006.

The University is an exempt charity within the meaning of the Charities Act 2011 applying in England and Wales and its principal regulator is the Office for Students (OfS). All Governors are also charitable trustees. The University complies with conditions of grant set out in funding agreements with the relevant grantor.

Solicitors

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Structure, Governance and Management

The following were Governors throughout the year ended 31 July 2025 and at the signing date except as noted:

Ms Charlotte Adams – until 15/06/2025

Mr Rahi Alam - from 01/09/2025

Mr Duncan Brown – until 13/08/2025

Dr Shona Brown – Vice Chair

Mr Daniel Clegg – until 21/03/2025

Mr John Cole

Ms Helen Coleman

Professor Tara Dean (interim Co-Vice Chancellor and Co- Group CEO from 04/06/2025 to 08/09/2025)

Professor Ruth Farwell - Chair of the South Bank Colleges Board of Trustees

Mr Timothy Fransen – until 30/11/2024

Mr Montasar Hamdi – from 02/12/2024

Professor Paul Hayes

Mr Mohammed Abdul Hasan - from 01/09/2025

Professor Deborah Johnston (interim Co-Vice Chancellor and Co- Group CEO from 04/06/2025 to 08/09/2025)

Mr Paul Kett, Vice Chancellor and Group CEO – from 08/09/2025

Mr Mark Lemmon – Senior Independent Director

Ms Areej Mansuri – until 15/06/2025

Mrs Ola Obadara

Mrs Lucia Otoyó - from 13/10/2025

Mr Jeremy Parr

Professor David Phoenix OBE – Vice Chancellor and Group CEO – until 04/06/2025

Mr Neelan Pilay – from 04/06/2025

Dr Andreas Raffel – Chair

Mr Vinay Tanna

Ms Jennifer Thomson

Members of Group Executive:

Professor David Phoenix, Vice Chancellor and Group CEO – until 04/06/2025

Mr Paul Kett, Vice Chancellor and Group CEO – from 08/09/2025

Ms Alex Bush, Chief People and Legal Officer

Mr Simon Cruickshank, Group Chief Financial Officer

Professor Tara Dean, Provost and co Vice Chancellor & Group CEO from 04/06/2025 to 08/09/2025

Professor Deborah Johnston, Deputy Vice Chancellor (Academic Framework) and co Vice Chancellor & Group CEO from 04/06/2025 to 08/09/2025

Ms Fiona Morey, Pro Vice Chancellor (Compulsory and Further Education) and Executive Principal of South Bank Colleges and CEO of South Bank Academies.

Company Secretary:

Samuel Curtis, Director of Governance and Group Company Secretary

Objectives and Activities

London South Bank University (LSBU) transforms lives, communities, businesses and society through applied education and insight. We were established over 130 years ago with a mission to advance social mobility for the people of south London by improving their employment opportunities and providing access to the applied knowledge that would advance their businesses. Other than an increasingly national and global reach, that mission remains unchanged today.

At the heart of LSBU is high quality applied professional and technical education. This is underpinned by first class academic insight in the form of applied research and knowledge exchange, which provides valued knowledge to employers and currency to the teaching and student experience we offer.

The content and delivery of our education is based on a detailed understanding of employer expectations. A significant number of the University's courses are accredited by professional bodies, while many others are informed by employers including through a range of employer advisory panels. Employer sponsorship is also integral with around two-thirds of students studying on courses sponsored by over 2,000 employer partners. This includes some of the most extensive higher and degree apprenticeship provision in the country, with over 3,500 apprentices studying on more than 44 standards.

Our civic mission means that our work is place-based, whether that place is our home in inner south London, or around our international partnerships. Our courses, research and other activities are informed by our detailed understanding of local needs. Our international links, such as our partnerships with the British University in Egypt (BUE); Applied Science University, Bahrain; TEAM University in Uzbekistan; Nanjing Vocational University of Industry Technology; and Zhejiang Institute of Mechanical and Electrical Engineering (ZIME) in China provide global context while delivering real local value. This year, LSBU opened a joint institute with Nanjing University of Industry Technology (NJUIT), which will deliver undergraduate programmes designed to meet the growing global demand for engineers with both theoretical insight and applied skills.

LSBU's highly diverse student body reflects its mission and location in inner south London. In 2023-24, the latest year of data, 25% of full time undergraduate entrants reported a disability; 32% had previously been eligible for free school meals; 38% were mature (over 21); 62% identified as BAME or Mixed Race; and 62% came from IMD 1 and 2 neighbourhoods.

The University is ranked 101-200th in the world in the Times Higher Impact Rankings 2025 (based on the UN Sustainable Development Goals), including 6th for 'Reducing Inequality' (SDG 10). In addition, the University is ranked 901-950th in the QS World University Rankings; 601- 800th in the World University Rankings 2025; 77th in the Guardian University Guide; and 54th in the Daily Mail University Guide. Additionally, the University was named the Best University for Apprenticeships for the second year running at the 2025 Apprenticeship Guide Awards.

LSBU Group

London South Bank University operates as part of a group structure - the LSBU Group - which was borne out of our ongoing commitment to our civic mission. This structure enables us to create strategies and pathways through which people of all characteristics and talents can be supported through the education system to achieve their full potential, and so contribute their skills, energies, and commitment to wider society throughout their lives.

LSBU Group comprises the following educational institutions:

- London South Bank University
- South Bank Colleges (SBC) – comprising Lambeth College and London South Bank Technical College (LSBTC)

The legal entities of South Bank University Enterprises Ltd (SBUEL), LSBU Ltd (non-trading), South Bank Skills Ltd (non-trading) and SW4 Catering Limited (non-trading) are also part of the LSBU Group.

South Bank Academies (SBA), which LSBU sponsors, is not consolidated in these accounts, but has a close working relationship within the LSBU Group and was established as a multi academy trust in 2016 in accordance with LSBU's mission. It comprises South Bank University Academy (SBUA) and South Bank University Sixth Form (SBUSixth). These organisations, including the academies, work to a shared mission, set of values and educational framework to achieve shared outcomes. Collectively they form integral parts of the Group's wider tertiary educational offer.

Mission

The mission of LSBU is to transform lives, communities, businesses, and society through applied education and insight. In 2020, the LSBU Group launched its Corporate Strategy 2020-2026, which has four key outcomes:

- **Student success:** Ensuring we are externally recognised for providing a personalised and high calibre education which equips graduates for employment and prepares them to make a positive contribution to society.
- **Real world impact:** Providing a dynamic evidence-based education which is underpinned by highly applied research and enterprise activity.
- **Access to opportunity:** Building opportunity through partnership, ensuring we are actively widening participation, engaging with our communities and are a partner of choice.
- **Fit for the future:** Ensuring we operate as one customer-centred organisation which is accountable, efficient, and effective.

Creation of the 2026-2030 Corporate Strategy is ongoing with publication expected to take place in early 2026. The LSBU made great strides with its 2020-2026 Strategy as can be seen in the successes highlighted in this report and the progress with our linked key performance indicators.

While operating within the higher and further education sectors continues to be financially challenging, the 2024-25 year has seen a number of important strategic developments and positive outcomes for the LSBU Group.

Highlighted below are key updates and examples of our work underpinning our core corporate objectives:

Student Success

We aim to ensure that our teaching remains highly applied, professionally accredited, and demonstrably linked to research and enterprise, delivering the attributes that will make our graduates highly sought after. Students are seen as participants in their learning and their voices are encouraged and listened to. We provide students with an individualised learning experience to develop the skills and aspirations that enable them to enter employment, undertake further study or start their own business. Some examples of student successes over the last year are listed below.

- LSBU opened its new Centre for Health, Injury and Performance in June. Funded by a £5.8 million grant from the Office for Students, the state-of-the-art facilities will create extra teaching capacity, allowing LSBU to expand nursing and allied health professional student and eventual graduate numbers.
- LSBU's Apprenticeship Provision was rated 'Good' overall by Ofsted following an inspection in December. The University improved on the result of its previous inspection in 2019 by receiving an 'Outstanding' grade for Personal Development.
- South Bank Colleges maintained its 'Good' Ofsted grade, following an inspection in March, while its adult learning programmes (which make up 75% of courses on offer) was deemed 'Outstanding'.
- South Bank University Sixth Form's Ofsted 'new provider inspection' found that the school was making 'reasonable progress' since its official opening in September 2023.
- An LSBU architectural assistant apprentice won Part I (Level 6) Apprentice of the Year Award at the Construction Liveries Group's Master Certificate Awards while LSBU was named the Best University for Apprenticeships at the 2025 Apprenticeship Guide Awards.
- The University performed well in the 2025 National Student Survey, with 86% of students rating their Learning Opportunities positively (which is within the top 25% of the country) and with 92% agreeing that staff are 'good at explaining things'.
- LSBU Group were finalists in four categories of the Quality and Professionals Awards: Further Education and Employability – Compliance Professional of the Year, Quality Improvement Leader of the Year (FE & Skills), Social Mobility Quality Improvement Initiative of the Year and Compliance Professional of the Year.
- South Bank Colleges launched the UK's first Level 3 Low Carbon Heating Technician apprenticeship with support from LSBU's Green Skills Hub.
- LSBU Mechanical Engineering students won the Best Presentation award and the Best Poster Design Award at the Institute of Mechanical Engineers Design Challenge.
- An LSBTC plumbing apprentice was named a finalist in the WorldSkills UK 2025 finals in July; while also being the first student from a London college to achieve this honour.
- An LSBU Electrical and Electronic Engineering Student won the Institution of Engineering and Technology's prize for academic distinction.

Academic Recognition

This year, the excellent research and teaching work of our academic staff, both individual and in their respective teams, has once again been recognised in research successes, accreditation from external bodies and other accolades.

- South Bank Colleges Executive Principal, Fiona Morey, was awarded an OBE in the 2025 King's New Year's Honours List for her contributions to further education and her commitment to creating life-changing opportunities for young people and adults.
- Professor Deborah Johnston, Deputy Vice Chancellor, was selected as one of 20 Disability and Access Ambassadors by the Government.
- Dr Christopher Cowell, Lecturer in Architectural History and Theory, was awarded the prestigious Hawksmoor Essay Medal from the Society of Architectural Historians of Great Britain for his essay titled 'The Height of Health: Sections, Sanatoria, and Settler Colonialism in Northern India, 1815–1842'.
- Dr David McGovern and Dr Keith Adams accepted the Hamaguchi Award from Japan's Ministry of Land, Infrastructure, Transport, and Tourism on behalf of the MAKEWAVES Consortium, a worldwide group of tsunami engineers and scientists from LSBU, University College London, and HR Wallingford. The accolade recognises the team's excellence and impact in tsunami and coastal hazard engineering.
- Dr Calvin Moorley, Professor for Diversity & Social Justice, was awarded an MBE in the 2025 King's Birthday Honours List for his contribution to nursing, social justice and academia.

Real World Impact

We aim to deliver outstanding economic, social, and cultural benefits from our intellectual capital, by connecting our teaching and research to the real world through commercial activities and social enterprise.

- In the most recent Research Excellence Framework (2021), 81% of LSBU's research was ranked four or three stars for impact, the top two awardable grades. Overall, 68% of LSBU's submissions were ranked world-leading or internationally excellent, a 14% rise since the previous 2014 exercise.
- LSBU's Business School has held the UK Small Business Charter since 2015, recognising its vital work supporting businesses, strengthening local economies and providing opportunities for student entrepreneurs to learn the skills they need to become business leaders.
- LSBU has supported around 500 SMEs through its Help to Grow: Management programme.
- LSBU's Business Solutions Centre, Legal Advice Clinic and Energy Advice Centre provide local residents with free small business, legal and energy saving advice from our Elephant and Castle campus, while our Solutionise Clinic offers business, IT and legal information and guidance from our Croydon campus.
- The Group runs the Green Skills Hub a GLA funded project to support Southwark, Lambeth, Lewisham people into Green / Net Zero careers.
- The Renewable Technologies Training Hub is the first facility of its kind in the country to feature a live ground source heat pump and borehole for student training. The Hub offers Level 2-3 qualifications in green retrofitting, Low carbon heating, solar PV and car charger installations.

Applied research with local and international impact

Our internationally renowned researchers this year contributed to the understanding of a number of economic and social issues.

- LSBU Academics in the School of Applied and Health Sciences (PIs: Dr Rita Oliveira and Dr Liza Zaidell) have been appointed by the London Borough of Merton to evaluate and provide strategic advice on their 'Borough of Sport' initiative.
- The Public Health Intervention Responsive Studies Team (PHIRST South Bank) celebrated five years of operation, over which time they have provided evaluations for more than ten public health interventions.
- LSBU Academics (PI: Hua Zhong) are co-leading a £1.97 million strand of the BRIDGES for Dementia Network. Funded by the Engineering and Physical Sciences Research Council and the National Institute for Health and Care Research, BRIDGES co-designs adaptive technologies that empower individuals living with dementia.
- Research published by LSBU academics in June (PI: Dr Tariq Sajjad) in the Advanced Function Materials Academic Journal found that batteries made from tungsten oxide – a common material found inside light bulbs – could store more energy (when natural light is shone on them) than mobile phone batteries which are made from rare earth elements.

- Research led by LSBU alongside the University of Reading has established a new research framework for the adoption of solar power in rural Zambia.
- Engineering firm HR Wallingford and LSBU began development of a world first system for physically modelling the impact of tsunami waves, TsuTWin. Expected to be completed in 2026, it will develop the complex computer modelling and prototype design for a dual pneumatic tsunami generator, paving the way for the production of design blueprints for the world's first facility to generate tsunamis.
- Research published in PNAS Nexus journal (PI: Dr Hamed Rajabi) calls for a new focus on the unexplored link between the design, material composition, and real-world function of natural weaponry, such as beetles' jaws, which could drive major technological advances in robotics and medicine.
- A two-year research project, funded by the Nuffield Foundation and the British Academy, has found that an arts-based approach to transformative justice can improve social cohesion and shows promise for reintegrating women with convictions into their communities.
- In April, LSBU launched a groundbreaking research initiative that aims to identify and map waste heat from urban cooling applications, using Birmingham as a case study. The Waste Heat Assessment and Resource Mapping (WHARM) project, is being funded by the Engineering and Physical Sciences Research Council.

Business Support Programmes

LSBU has been leading delivery of a £1.5 million UK Shared Prosperity Fund (UKSPF) funded project, the BIG Growth Programme, delivered in partnership with five other universities and the South London Partnership to provide innovation support to businesses across south central and south-west London. The University has also served as a delivery partner for a £150,000 segment of a second project, Inclusive Supply Chains, designed to provide a range of business procurement support to local participants to increase their capacity and capability to successfully access new opportunities in private/public supply chains.

In July, LSBU was awarded £380,881 by the Greater London Authority to continue the BIG growth programme, constituting 8% of the total 2025-26 UKSPF allocation for London. The programme extension will support 60 South London businesses through locally led innovation, inclusive growth and expertise from the College of Health & Life Sciences and the College of Technology & Environment.

The University has additionally supported over 500 businesses through the Government's Help to Grow: Management programme and a further 80 companies through the South London Partnerships BIG South London Programme.

LSBU's Enterprising Futures team supported the launch of 120+ new startups in the last two years, turning over £30 million in revenue, raising over £35 million in external investment and creating 400+ new jobs.

Access to Opportunity

LSBU works with partners to provide our students with opportunities to succeed. The University is ranked 101-200th in the world in the Times Higher Impact Rankings 2025 (based on the UN Sustainable Development Goals), including 6th in the world for 'Reducing Inequality' (SDG 10); 92nd for 'Health and Wellbeing' (SDG 3); and 74th for 'Decent Work and Economic Growth (SDG 8). (Times Higher Education 2025 Impact Rankings).

Data published in the 2025 Longitudinal Educational Outcomes (LEO) release, found that LSBU was the highest ranked London Modern institution for both actual median salaries and regionally adjusted median salaries one, three and five years after graduation. Among all UK Higher Education Institutions, the median earnings of LSBU First Degree graduates one year after graduation are 17th highest in the country.

LSBU was also named University of the Year for Social Inclusion in the Daily Mail University Guide 2025.

South Bank University Sixth Form – non-consolidated in these accounts

South Bank University Sixth Form began operation in Autumn 2023. Focusing on age 16-19 technical education, SBUSixth offers A-Level, T-Level and BTEC pathways in Health, Business & Finance and Engineering. Employer partners, including Skanska, Guy's and St Thomas's NHS Foundation Trust (GSTT) and Transport for London, are central to the delivery of SBUSixth, providing support such as employment-focused projects, targeted apprenticeship advice, one-to-one CV support and 'takeover days'. Engineering and Health students also benefit from professional placements – providing them with day-to-day experience of a workplace environment and involvement in real-world projects. Sponsorship by GSTT means that pupils who successfully complete a placement at their hospitals as part of their Level 3 are guaranteed a place with the Trust should they apply for a nursing degree at LSBU.

SBUSixth undertakes outreach work with other local schools to offer advice and guidance to GCSE pupils who are considering following a technical education pathway; and provides taster sessions utilising cutting-edge technical equipment including a virtual reality and simulated health suite; a carbon fibre manufacturing room; and engineering workshops featuring facilities such as 3D printers, plasma cutters, and CNC machines.

In March, Dame Elizabeth Anionwu, a pioneering nurse, health educator and sickle cell specialist opened a new simulation ward named in her honour at SBU Sixth. The Dame Elizabeth Anionwu Simulation Ward replicates a hospital suite with a range of medical equipment and realistic mannequin patients that enable learners to develop skills in a realistic care environment.

Lambeth College

Lambeth College utilises Adult Education funding to provide full and part-time courses to local residents. There is a high demand for English, Maths and English for Speakers of Other Languages (ESOL) provision – evidenced by the fact that over a third of enrolments at the College are in these subjects. The College’s ESOL courses, which are taught at its Brixton Centre, provide those who have recently moved to the UK (including refugees) with the opportunity to achieve a sufficient level of English, as well as knowledge about life in the UK and British values, which enables them to integrate into society. Upon completing the course, many learners go on to follow careers in areas such as Health and Social Care, utilising skills and qualifications they acquired in their home countries.

Between 2019/20 and 2024/25, the College supported over 7,000 adults to complete ESOL courses, over 5,000 individuals to achieve an English qualification, and 1,500 individuals to achieve a maths qualification. For many of these learners, this will have been one of their first experiences of academic achievement – attributable in part to the consistent and focused support the College provides.

The College also supports around 275 students with learning difficulties and/or disabilities (high needs) through inclusive learning courses designed to increase independence skills and/or support preparation for employment. The College works with a number of partners and employers to support adults with entry to employment. This includes collaboration with Project Search to deliver placements for high needs students at Guy’s and St Thomas’ NHS Foundation Trust and a range of entry to Construction courses that support direct entry to employment.

The College’s Ofsted ‘Outstanding’ nursery supports adults with childcare needs to access education in a flexible and highly responsive way.

London South Bank Technical College

LSBTC teaches advanced technical skills to over 2,000 students through subjects including Construction, Robotics and Healthcare in state-of-the-art facilities. LSBTC’s curriculum has been designed to provide clear progression routes for young people and adults to access high quality technical education from Level 1 to Level 4 through part-time, full-time, work based (apprenticeship) and employer-sponsored programmes. Courses taught at LSBTC include: Level 3 Access to HE programmes, which provide a fast track into higher education for adult learners; Level 1, 2 and 3 BTEC and UAL technical programmes; Level 2 and 3 apprenticeships in areas such as Dental Nursing and Plumbing & Domestic Heating; Level 3 T Levels in areas such as Design, Surveying & Planning for Construction and Education & Childcare; and Level 4 courses including HNCs in Biology, Chemistry and Forensic Science. In addition to being valuable in their own right, these Level 4 courses provide advanced entry into the second year of relevant degree programmes at LSBU.

In 2023, LSBTC became the first college in England to begin training students on five new City & Guilds Green Skills Apprenticeship courses covering electric vehicle charging installation skills, as part of a pilot project with Shell. In 2025, LSBTC became the first college in the country to commission a borehole to enable training of Ground Source Heat Pump technologies.

Phase one of LSBTC was jointly funded by a £21 million grant from the Mayor of London’s Skills for Londoners Capital Fund, through the London Economic Action Partnership (LEAP). Following the completion of the second phase, scheduled for 2029, LSBTC will comprise two buildings with a target of 10,000 learners enrolled; and is the first new comprehensive technical education college in a generation constituting a £100 million investment by LSBU Group in developing new learning pathways. Future blocks will focus on Health Science and Business specialisms. Teams at LSBTC are working closely with the University and key stakeholders on the development of the medtech provision in Lambeth.

LSBU Croydon

In October 2021, LSBU opened its campus in Croydon - the first university in the borough – following a £20 million renovation of an iconic Grade II listed building in the heart of the town centre. The campus in Electric House features classrooms, world-class facilities, community and co-working spaces for students, communities, and local businesses.

Nursing students are taught in state-of-the-art skills labs funded by a £2 million grant from the OfS and the campus also teaches the only Chiropractic Master's course in London, including a public clinic providing treatment to local residents suffering from musculoskeletal conditions.

LSBU Croydon also runs a number of business support programmes including Help to Grow: Management; WinCreative Croydon, and BIG South London; as well as hosting businesses in its enterprise co-working space, including Croydon Business Improvement District, which is a permanent tenant.

LSBU Croydon won the 2025 Teaching & Educational Excellence Award at the Charles Gordon Trust London Community Excellence Awards. The submission showed how LSBU Croydon is tackling healthcare inequalities through innovative teaching and outreach, including:

- The student-led Chiropractic Clinic, offering community outreach, including free treatments for homeless residents via Evolve Housing Association
- The Barbershop Blood Pressure Project, delivered in collaboration with Croydon BME Forum and nationally recognised by the Times Higher Education Awards
- Collaborative stroke awareness research with local community partners, including the BME Forum
- The Mammowave early breast cancer detection trial, delivered with Croydon NHS and REACT

This award celebrates the impact of our students, staff, and partners working together to tackle health inequalities in Croydon and South London.

Local Stakeholders

LSBU plays a key role in the community, working closely with borough councils, schools, businesses, and other organisations to provide local residents and employers with the education, skills, and knowledge they need. LSBU also supports its local communities across many other areas including health and wellbeing, legal advice, business growth and secondary education.

The University has Memorandums of Understanding (MOUs) with its three local boroughs: the London Borough of Southwark (signed 2014, renewed June 2021); the London Borough of Lambeth (signed 2016, renewed October 2020); and the London Borough of Lewisham (signed 2019).

LSBU's MOU with Lambeth Council commits the two organisations to work in partnership to deal with the after effects of the COVID-19 pandemic, particularly for young people, and to stimulate recovery across the borough. It helps to provide greater opportunities for local residents to learn new skills through the LSBU Group; enables LSBU's research and insight to be used to help Lambeth businesses grow; and aims that together we can support the Council's target to be carbon neutral by 2030. With Southwark, the new MOU commits LSBU to increase the number of training and development opportunities for residents, as well as making Southwark a leading London borough for health and life sciences.

The University additionally has MOUs with: Morley College; Croydon College; Brooklands College and Orbital South College Group. It also has a representative on the board of We Are Waterloo Business Improvement District.

LSBU, SBC and SBA are also members of an MOU with the Lambeth Council Climate Action Partnership, a group established to oversee the implementation of the Council's Climate Action Plan. Along with other signatories of the MOU based in Lambeth, the LSBU Group participates in projects to benefit residents and businesses in the borough.

International

LSBU's collaboration with the British University in Egypt offers an exemplar for transnational education partnerships in practice. As the largest collaboration in the Middle East and North Africa region, the University now validates 33 undergraduate and postgraduate courses and engages in shared research activities across a range

of disciplines. LSBU also provides joint supervisions for PhD students, investigating topics including ultrasound imaging of human bone; structural control for onshore/offshore wind turbines; performance analysis of thermodynamic solar panels using nano-refrigerants; and using solid waste for wastewater treatment from the textile industry.

In China, a significant milestone was reached with the formal approval from the Ministry of Education of the People's Republic of China for the establishment of the LSBU–Nanjing Vocational University of Industry Technology Joint Institute. This marks LSBU's first formal joint institute in China and reflects its commitment to embedding applied and professional education.

The University continues to expand its network of international partners, including TEAM University in Uzbekistan, the Applied Sciences University of Bahrain, and Zhejiang Institute of Mechanical and Electrical Engineering in China, through which LSBU is helping to break the mould of traditional HE models by introducing technical and professional education and employer engagement.

Within TEAM University, LSBU is helping to create an enterprise culture to equip graduates for navigating the significant youth employment deficit within Uzbekistan.

In total, LSBU Global now supports almost 7,000 transnational students across more than 12 partner organisations. We are now overseeing LSBU health partnerships and as such position LSBU among the UK's top 20 providers of transnational education.

In 2025, LSBU also signed an agreement with Pearson enabling Approved International Pearson Centres to deliver LSBU Higher National Diplomas, with the option for students to complete a final top-up year with LSBU. This integrated pathway is available across a range of disciplines including Business, Engineering, and Computing courses, equipping students with globally recognised qualifications aligned with industry needs.

Looking ahead, LSBU Global is actively developing new initiatives in priority countries including Sri Lanka, India, Saudi Arabia, Kazakhstan, Vietnam, and Mauritius. These efforts build on recent successes and position LSBU to broaden its global footprint, enhance mobility opportunities, and deliver high-impact professional education responsive to local and international workforce needs.

Fit for the Future

The University is making targeted investments into staff, processes, and virtual and physical infrastructure to ensure we operate as one customer-centred organisation, which is accountable, efficient, and effective.

- LSBU was the joint-first University to publish its Disabled Student Commitment Action Plan for the 2025/26 Academic year.
- We have begun investment in renewing our digital student support infrastructure, including a new Curriculum Management system and new Student Information System at the University. This project, TSAAM, is expected to be completed during 2026.
- LSBU was awarded a Bronze Race Equality Charter Award from Advanced HE, which includes a framework for the University to improve the representation, experience, progression and success of BAME staff and students.
- In August 2022, LSBU took over as the Lead Provider for the London Uni Connect partnership. The partnership includes three existing networks – Linking London, Aimhigher London and AccessHE – which work across the capital to give people new opportunities to learn and develop.
- The University's mean Disability Pay Gap reduced to 0.9% in 2024, while its median gap has reversed to be in favour of disabled staff to -2.6% (indicating that disabled staff are on average paid better than their non-disabled colleagues).
- Although LSBU's mean gender pay gap has steadily reduced from 13% since 2009, it marginally increased from 7.2% in 2023 to 7.4% in 2024 – mainly because of a higher proportion of women in the lower pay quartile. (This is, however significantly below the 12.0% HE sector average). Similarly, LSBU's mean ethnicity pay gap has increased from 9% in 2023 to 13% in 2024, and the median pay gap has increased from 5% in 2023 to 13% in 2024. The University will continue to use data, insights, and innovation to ensure that interventions are evidence based, working in partnership with staff and students to advance gender and ethnic equality.

External Environment

With Labour now in Government for over a year, their expectations for higher education are beginning to come into focus and appear to align well with many elements of LSBU Group's work.

The Government's Industrial Strategy identified eight priority sectors (IS-8) that have the greatest growth potential over the next decade and have a 'critical role to play in supporting economic security and resilience, net zero and regional growth'. The sectors are: Advanced Manufacturing, Creative Industries, Clean Energy Industries, Digital and Technologies, Professional and Business Services, Life Sciences, Financial Services and Defence. The Government has made it clear, through numerous publications, its desire to support course provision that align to these sectors. As there is significant overlap between the IS-8 and LSBU Group's portfolio, this provides an opportunity for us to take advantage of new funding opportunities if and when they are announced.

The Post 16 Education and Skills White Paper, published in October 2025, includes the ambition to 'bring higher and further education providers closer together'. This will include a commitment to unifying all regulation of Level 4+ courses, which should help to reduce regulatory burden for the Group, particularly around apprenticeships and sub-degree provision. Additionally, the Government wants to see 'making student support for level 6 degrees conditional on the inclusion of break points in degree programmes'. This should help improve awareness of sub-degree provision. Combined with the introduction of the Lifelong Learning Entitlement in January 2027 making student financing simpler (discussed below), this may provide an opportunity for South Bank Colleges to increase its sub-degree provision.

Positively, the Government has confirmed that it will increase undergraduate tuition fee caps for all higher education providers in line with forecast inflation in academic years 2026/27 and 2027/28; and also that they will introduce new targeted means-tested maintenance grants by the end of this Parliament, which will help students from the lowest income households who are studying courses that support the Government's missions and Industrial Strategy. It is likely that a large number of LSBU's courses will meet eligibility for grants – which will support student hardship and recruitment. Less positively, maintenance grants will be funded by a proposed International Student Levy of 6%, which at current figures, would cost around 1% of LSBU's total turnover. Further details of the levy are to be published in the budget.

After 2027/28, future fee uplifts will be conditional on institutions meeting OfS's Quality thresholds. This is likely to be TEF Gold or Silver.

At present, the Government is consulting on revisions to the Teaching Excellence Framework. LSBU is ranked TEF Silver, however it is proposed that in future exercises, institutional grade will be determined by the lower of the two sub-grades (outcomes and student experience), which will increase LSBU's chance of being graded Bronze in the future. Coupled with the proposal that Bronze providers could be subjected to student number controls or fee constraints, this represents a significant operational risk if the proposals proceed as currently constituted.

The Government states in the Industrial Strategy that it will reform the Strategic Priorities Grant to be more effectively targeted towards priority provision which supports future skills needs. This may also provide an opportunity for LSBU to secure more student-based funding via the Strategic Priorities Grant. It also states that short courses funded through the Growth and Skills Levy (the successor to the Apprenticeship Levy) will largely be aligned with the eight priority sectors. Both proposals were confirmed in the Post-16 White Paper. The alignment between LSBU course provision and several of the priority sectors should present new funding opportunities for the Group.

Further details of the Skills and Growth Levy (referenced above) were included in the Post-16 White paper – including that short courses will be called 'apprenticeship units' and will be available in 'critical skills areas' from April 2026. The amount of levy an employer can use on 'apprenticeship units' and what kind of courses will be fundable is yet to be confirmed. The risk and opportunities of this proposal are therefore hard to determine.

If a significant proportion of apprenticeship funding is siphoned off to support short-course provision that employers can spend with private training providers, this could see a decline in the University's apprentice numbers with a resulting loss of income. A partial reduction is already expected as a result of the Government's decision to remove levy-funding from Level 7 apprenticeships. However, if 'apprenticeship units' must be comprised of modules from full courses, this may provide an opportunity for LSBU to reach new employers that do not currently engage with full apprenticeships.

Further details of the Lifelong Learning Entitlement have been published by the Government with learners being able to apply for LLE funding from September 2026 for courses starting from January 2027 onwards. The ability

for learners to access the LLE to fund Level 4 courses at LSBTC may potentially see growth in this provision. LLE funding will also be available for modules from HTQ Level 4 and 5 courses and Level 6 courses that, in keeping with the approach set out in the Industrial Strategy, align with Government priority skills needs. Given the overlap between LSBU courses provision and the Government's sectoral priorities – for example, nursing and midwifery, engineering and architecture, building and planning – there is an opportunity to develop a new income stream via a short course offering. However, the University's difficulty in attracting applications to short courses run as part of the OfS Short Courses trial in 2023 suggests there may be limited learner appetite for this kind of provision.

The Government is also developing a new devolution agenda. In London, this has seen the development of a London Growth Plan and Inclusive Talent Strategy, which will see the GLA transition from a learner-led model of commissioning adult education to an employer-led model, in addition to coordinating a 'massive investment in green skills'. The Government will also be giving joint responsibility to Employer Representative bodies and Mayoral Combined Authorities / Strategic Authorities for the next round of Local Skills Improvement Plans, with the Post-16 White Paper confirming that statutory guidance will set out clearer 'expectations on higher education providers to engage with the development, review and implementation of these plans, and a stronger expectation that they cover technical skill needs at all levels including Levels 4 to 8.

The LSBU Group will remain adaptable to take advantage of these opportunities. The Group will also continue to differentiate itself by providing a high quality and truly applied academic environment linked to employers. We will ensure that we continue to be seen as an enterprising group of educational institutions that addresses real world challenges and transforms lives, communities, and businesses.

Key Performance Indicators – summary progress

Many of the news and achievements above, included in the wider report, sit within deliverables that come from the LSBU Group 2020-2025 Strategy. These have a range of Group level Key Performance Indicators and recent developments in these areas are detailed below:

KPI No.	KPI	22/23 Actual	23/24 Actual	24/25 Actual		Commentary
1	Proportion of UG students with a work-based learning experience (%)	33	67	100	↑	Now increased to 100% in 24/25 - each level 5 module now has an embedded employability component.
2	Progression within LSBU Group (#)	22	42	56	↑	LSBTC has seen 48 students compared to 26 last year progressing to LSBU.
3	Graduate Outcomes: Graduate level employment or PG study (EPI cohort) (%)	70.4	72.4	69.0	↓	Adoption of the Career Skills Award is a step change in how LSBU approaches employability. Recently adopted, we expect to see measurable impacts in Graduate Outcomes from 2025/26 graduates.
4a	National Student Survey - Teaching related Q areas (%)	80	83	84	↑	Reflects the sustained focus on teaching enhancement initiatives highlighted in the mid-year report.
4b	Postgrad Taught Experience Survey-Teaching (%)	80	80	83	↑	The percentage 'agree' metric has improved by 3 percentage points to 83%.
4c	Postgrad Research Experience Survey - Overall satisfaction (biennial) (%)	83	N/A	83	↔	83% equals the sector average, and betters both the Post 92 and London Group by one percentage point.
5a	Y1-2 Progression (FT UG students) * (%)	65	71		↑	To be updated Jan 2026 following 25-26 enrolment.
5b	PGT FT Completion (%)	88	89	92	↑	Improved by 3.4 percentage points to 91.9%.
5c	LSBU Apprenticeship achievement rates (timely completion) * (%)	49.0	55.1	63.5	↑	A significant increase in achievement rates has been achieved this year at LSBU. 24/25 as at R10 data.
6	BME awarding gap (First Degree, FT) (%)	13	12	5	↑	Progress continues to be made in this area.
7	National Student Survey - Organisation and Management question area (%)	70	74	73	↓	This year saw a substantial programme of resizing our academic workforce impacting on the lack of improvement this year.
8	Research & Enterprise income (£ million)	22.3	21.8	18.3	↓	Grants won in 2024-25 was the highest for several years. Total Research & Innovation income levels have declined owing largely to the winding up in 2024-25 of several large Horizon 2020 and ERDF projects.
9a	QS World University Rankings ranking (#)	851-900	801-850	901-950	↓	The ranking has deteriorated, moving down from the 801-850 ranking band to the 901-950 ranking band.
9b	THE World University Rankings ranking (#)	601-800	601-800	601-800	↔	On track. The ranking achieved equals the previous year's result.
9c	Citations ('SciVal' excl. self-refer) * (#)	4.9	5.4		↑	24-25 not yet available.
9d	Number of Research Active Staff (SRR) * (#)	207	183	181	↓	Strategy focuses on the quality of research output and impact, concentrating core strengths.
10	PGR Awards* (#)	35	39		↑	Total PGR completions are not yet available.
11	National Student Survey - Learning Resources Q area (all respondents) (%)	81	85	86	↑	Has improved by 1.8 percentage points to 86.4%. We continue to trend largely in line with our peers and the sector.
12	Staff Survey average engagement score (%)	65	65	67	↑	An overall engagement score of 67% was achieved across the Group, +2% on last year.
13	LSBU income (£ million)	201.9	207.5	196.2	↓	In line with HE sector challenges, discussed in the Financial Review section.
14	Surplus before other gains and losses as a % of income	-8.1	-3.9	-3.4	↑	Improved on prior year % deficits, discussed in the Financial Review section.
15a	Guardian University Guide ranking (#)	81	59	77	↓	The Guardian is the most influential of these rankings for prospective students, and analysis of the underlying metrics shows that we did improve in most domains of the ranking methodology.
15b	Times/Sunday Times Good University Guide ranking (#)	116	100	111	↓	
15c	Complete University Guide ranking (#)	113	114	110	↑	

* Denotes not available at time of publishing, direction of travel is therefore showing the movement to the last available prior year.

Going concern statement

The Group Executive and Board of Governors, as is their responsibility, have considered the going concern status of the London South Bank University Group and are confident the Group 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).

This approach has been supported by analysis seen at both the Finance & Investment Committee (September 25) and Group Audit & Risk Committee (October 2025), both key sub-committees of Board. This view was endorsed and adopted by the LSBU Board at its meeting on 30th October 2025. These financial statements have therefore been prepared on a going concern basis.

In coming to this conclusion, the Executive and Board have taken the following actions:

- Preparation of detailed budgets for 2025-26, and forecasts for 2026-27 and 2027-28, on a financial statement basis (I&Es, cash flows, and balance sheets). These budgets and forecasts will subsequently form the starting point for the Annual Finance Return to be submitted to the OfS in the Autumn/Winter (although the AFR will include the latest view at that point in time, when Semester 1 recruitment is clear).
- Scrutiny of budgets and forecasts by Finance & Investment Committee and the Board.
- Sensitivity analysis undertaken on the budget and forecasts for changes in key underlying drivers, such as student numbers, staff cost growth, and unforeseen material expenditure.
- Review of liquidity requirements under the budgets and plans, including reverse stress testing to determine the circumstance under which the Group runs out of liquid funds.
- Calculation of loan covenants based upon the forecasts, and stress testing to identify circumstances which could cause the university to breach its covenants.
- Assessment of severe but plausible downsides the Group may face in the foreseeable future.

Forecasts and management actions

The Group, in line with the wider HE and FE sectors, is facing significant financial challenges that need due consideration as to the appropriateness of adopting the going concern accounting basis.

The Group, principally via the University, is undertaking a Financial Improvement & Transformation programme. Continuing to progress this programme is assumed in the forward forecasts we have prepared. Financial improvements have been programmed, actions have been taken, and further action is in train, and so the adoption of a Going Concern assumption is considered reasonable, but is predicated on two key assumptions;

- Successful delivery of the growth plans and cost saving plans in the budget and forecasts; and/or
- Access to further liquidity, via asset sales.

Neither assumption is currently considered a material uncertainty.

Delivery of the financial improvement plans in the budget and five-year forecasts will continue to be challenging. We are now one-third of the way through the 3-year programme, with over one third of the total quantum of financial improvement delivered. Most of the remaining financial improvement required has now been programmed, and progress is regularly reported and reviewed. Successful delivery is seen as highly probable and within our gift.

Our current low cash balances, contributing to net current liabilities of £37.4m are largely linked to the current position in our long-term estates' strategies at both the University and the College. The investment in the LSBTC building at SBC Nine Elms campus has been forward funded in advance of related land sales that have yet to be progressed. The University is similarly seeking to release around £50m of funding from its estates master plan. The first tranche of this was undertaken with the sale of New Kent Road this year, there are a number of actionable plots of land and buildings under review for releasing value over the next two to four years.

Successful asset sales are considered highly probable at SBC (at both Vauxhall and Clapham). It is expected that the Vauxhall Plot C disposal will be agreed at the turn of the calendar year 2025/2026. It is hoped that the Clapham deal will also be completed in the next 24-36 months.

The LSBU Board has recently approved the disposal of excess student accommodation at Dante Road, with a possible completion targeted in Summer 2026. As the Vauxhall Plot C sale is well developed this is included in the going concern forecasts along with the linked capital investment at Clapham. The later, and less certain inflows from excess land at Clapham and the sale of Dante Road are both excluded from our going concern forecasts. These would therefore provide additional liquidity to the Group should they occur.

South Bank Colleges, has received a pre-action claim for unjust enrichment by a developer in respect of the Lambeth and Vauxhall development project. The governing body believes that any claim is unlikely to succeed and cannot be financially quantified at the date of signing. We have modelled an adverse finding, and this would not be expected to risk the going concern position of the Group.

Forecasts show LSBU making a small operating deficit in 2025-26, returning to surplus in 2026-27. These plans are regularly reviewed and amended to reflect the current operating environment and decisions taken in year.

Liquidity and access to debt finance

Having prepared prudent income, expenditure, and cash flow forecasts for a three-year period from the balance sheet date, the Group is confident of having access to the required levels of liquid funds it needs to meet its liabilities as they fall due throughout this period.

Both as at the balance sheet date and over the three-year period from that date, the Group is confident it will meet its debt covenants and is unlikely to breach them under normal operating conditions.

The Group actively manages its available cash in line with its Treasury Management Policy, which is reviewed annually by Finance and Investment Committee.

In July 2025, the Group improved its borrowing arrangements with Barclays, increasing our access to readily available borrowing from £50m (£30m Barclays revolving credit facility (RCF), £5m Barclays overdraft, £15m AIB RCF) to £55m by increasing the size of the Barclays RCF to £35m, whilst reducing borrowing costs. This arrangement has also extended the length of the Barclays facility, which now continues until at least July 2030. The AIB facility has also been extended to September 2027. The undrawn RCFs at 31st July totalled £33m, this is in addition to the unutilised £5m overdraft at the balance sheet date.

We maintain ongoing discussions with both potential lenders and independent debt finance advisors to ensure that the Group's debt package remains appropriate to meet our needs.

Severe but plausible downsides

The Group and its constituent members maintain both entity level and local level risk registers which consider both operational and financial downside risks, and those risks and others which have a financial going concern impact are discussed below. 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 the Group and wider sector faces some significant financial and operational risks, but no risk is currently considered to put the University into one of the above positions.

Principal risks and uncertainties

At a corporate level, risks are identified and managed through the LSBU Group's risk management processes as described in the statement on internal control.

The Corporate Risk Register is the subject of careful and frequent review and is aligned to the Corporate Strategy. The principal risks which the institution faces in the short and medium term, considering external factors in the main, and the associated mitigation strategies are as follows:

Risk Statement	Risk Domain	Actions and Mitigations
Group entities fail to contribute effectively to Group vision so damaging reputation and financial sustainability.	Strategic/ Group	Review of business cycle; appointment of subject leads working pan group, development SMT and group away days, review of strategy and local plans. Corporate Strategy provides key framing to work effectively as a Group.
Failure to meet conditions of registration and other outcome and academic delivery measures	Academic Activity	Regular review and reporting of relevant KPIs; Established processes around Observation, Quality Assurance, Student Surveys, Tracking of Student and Apprentice progress, Attendance Monitoring. External validation of self-assessment, ongoing training on Ofsted framework. S4P panel with representation from all entities meets quarterly to review group performance against institutional KPIs.
Failure to develop effective and attractive estates	Infrastructure	Development of Estates Masterplan. SBC Campus Delivery Plan.
Failure to maintain effective and attractive estates	Infrastructure	Prioritise allocated maintenance budget and capital against most pressing areas of need.
Failure to meet the published CO2 Net Zero by 2050 target, adversely impacts the group's competitive position.	Infrastructure	The Sustainability Steering Group and a Core Sustainability Leadership team formed. Sustainability road map. Sustainable Procurement Policy. Concordat for the Environmental Sustainability of Research signed.
Failure to raise research reputation	Academic Activity	REI team organised to focus on high value R&E activities with a focus on STEM, Health and Inclusive Growth as dominant sectors of interest. New R&I Strategic Plan and newly established R&I committee. R&E activities are monitored to ensure growth is efficient.
Poor NSS, PTES and PRES outcomes compromise student recruitment	Academic Activity	NSS Taskforce in place. Greater focus on LSBU student experience and outcome measures amongst both Colleges and PSGs.
Deterioration of academic quality and PSG support	People/ Culture	Regular KPI reporting at team, organisation and Board level. Delivery of People & Culture Roadmap, Business Plan Deliverable targets monitored and reported on.
Failure to maintain financial strategy undermines our ability to invest and trade.	Financial	Financial Improvement & Transformation programmes on academic model, PSG efficiencies and Growth. Long term planning for I&E, balance sheet and cashflow and banking covenant stress / reverse stress testing. Regular and detailed cashflow forecasts and monitoring undertaken. Comprehensive monthly management accounts prepared for LSBU/SBC.
Inadequate engagement with business undermines our financial performance and overall reputation as a professional and technical institution.	Academic Activity	Business links coordination group and College employer forums. Employer Advisory Network and Apprenticeship Team employer engagement. Membership of South Bank Employers Group & local BIDs.
Weaknesses in technology / digital infrastructure undermine academic outputs or service delivery.	Infrastructure	Group IT Security and Resilience Board, 5 year capital investment plan, Digital Transformation Roadmap, Cyber Insurance and cyber essentials accreditation.
Financial Improvement & Transformation programmes fail to deliver the anticipated strategic and financial benefits. Programmes disproportionately impact; student and staff experience	Academic Activity and PSG	Key appointments including PVC and Group Director have been appointed to lead design and planning of large scale programmes. Transformation Core Group. Dedicated Finance & HR expertise.
Demographics shifts in student population are not understood or adapted to and result in risks to the Group	Strategic/ Group	Review of demographics and targeting future students, Portfolio Working Group and Portfolio Review. Student number, budget and portfolio planning and regular reports on recruitment trends. A data led approach to campaigns, messaging and initiatives.
The risks and opportunities in AI and disruptive technologies are not considered and addressed leading to issues in academic rigor, outdated student and staff skills and missed opportunities across education, research and operations	Infrastructure	PSG review for opportunities for AI and automation and benchmarking on maturity. An upskilling plan / development of our talent strategy. Foster a culture of continuous learning and innovation . Certificate course for all students and staff in AI literacy, available from September 2025. Clear guidance for staff and students on appropriate and inappropriate uses of AI.

Energy and Carbon Report

As part of our 2020-2026 Corporate Strategy, we aim to:

- Use our estate effectively and efficiently with a utilisation rate of 50%.
- Reduce our carbon footprint by 25% between 2020 and 2026, with the goal of achieving net zero carbon emissions by 2050.

This will be achieved through environmentally sustainable initiatives focusing on the reduction of carbon emissions through: improving carbon emissions data collection; creating and promoting policies and standards; engaging suppliers to record and reduce carbon emissions; improving LSBU Groups energy performance; and promoting sustainable innovation.

Our Scope 1&2 emissions were 5,230 t/CO₂ in 2018-19 and are considered our Group baseline. Since the policy of adopting REGO backed electricity in 2019-20, reported emissions have fallen significantly.

	2024-25	2023-24
Electricity (kWh)	13,778,556	13,962,471
Gas (kWh)	9,693,747	12,409,382
Carbon Emissions (with REGO) (Scope 1 & 2) (t/CO ₂)	1,986	2,515
Floor Space (GIA - m ²)	156,430	156,430
Intensity (t/CO ₂ per m ²)	0.013	0.016

Table: Electricity and gas consumption emission data (July-August)

Electricity and natural gas consumption has increased from 2023/24. The rise in consumption and carbon emissions is accounted for by the integration of the college sites (Lambeth College at Clapham and Brixton and LSBTC at Vauxhall). There was also an overall increase in energy consumption due to the move back to on campus teaching post-covid.

Work has been undertaken in the year reviewing operating hours of buildings, undertaking heat surveys and baseload heating reviews.

LSBU was successful in the Salix Phase 4 of the Public Sector Decarbonisation Scheme in winning a grant to cover 85% of the costs of an Air Source Heat pump for the Clarence centre that will provide for a bivalent heating system in this building. This will be installed over the next 18 months.

All Electricity used in the periods above was purchased with relevant REGOs, all Scope 1 & 2 emissions above relate to Gas.

Carbon Intensity was calculated by dividing the Scope 1 & 2 emissions by the gross internal area (GIA). GIA has been chosen as it best represents our scale and intensity of operations. The data has also been changed to align with LSBU Estates Management Reporting to HESA.

In 2024/25, LSBU's latest Scope 3 emissions used the HESCET spend-per-supplier metric designed for higher education institutions, and this calculated a Scope 3 carbon footprint of 26,805 tCO₂ (the prior measure available was 28,045 tCO₂ from 2019/20 data). This was calculated using spend data from 2023/24. Including Scope 1 & 2, the total carbon footprint was therefore 28,791 tCO₂.

London South Bank University (charity) Public Benefit statement

LSBU is an exempt charity within the meaning of the Charities Act 2011. Our principal regulator is the OfS.

The accounts of South Bank Colleges (SBC), an exempt charity within the meaning of the Charities Act 2011, form part of these accounts. Further details on how SBC meets its public benefit obligations are set out in SBC's own accounts.

Charity Commission Guidance on Public Benefit

The members of the Board of Governors are the charitable trustees of LSBU. In undertaking its duties, the Board of Governors has regard to the Charity Commission's guidance on public benefit.

Charitable Objects

The charitable objects (under s.3 Charities Act 2011) of LSBU, as set out in its Articles of Association, are to:

- conduct a university for the public benefit for the advancement of education, promotion of research and dissemination of knowledge;
- provide full time and part time courses of education at all levels; and
- provide facilities to promote these objects and provide associated support and welfare for students.

LSBU's objects are applied solely for the public benefit, as follows.

LSBU advances education for the public benefit by:

- providing teaching to its students in the form of lectures, seminars, personal tuition, and online resources;
- delivering many courses accredited by recognised professional bodies, full and part time;
- setting and marking assessments, giving feedback to students, and providing evidence of achievement by the awarding of degrees, diplomas, and certificates.

LSBU promotes research and the dissemination of knowledge by:

- undertaking academic research and publishing the results;
- publishing articles in peer-reviewed journals;
- maintaining an online and physical academic library with access for students, staff, and guests.

LSBU provides support and services for students through:

- wellbeing services, including support for students with disabilities and mental health issues. This includes a counselling service;
- student advice and guidance services via a one-stop-shop and student helpdesks;
- employability services, supporting students who are working while studying, helping students source work experience and graduate opportunities;
- money advice, including debt management;
- specific support services for particular groups of students, including care leavers, carers, and pregnant students;
- mentoring and coaching;
- providing student accommodation;
- funding some individual students' education through bursaries and fee waivers; and
- providing funds to London South Bank University Students' Union (LSBUSU).

Beneficiaries

In carrying out our objects, the University benefits our students and future students through teaching and learning activities either directly or through the support of its subsidiaries. LSBU also benefits the wider public through research and knowledge transfer.

The trustees affirm that the opportunity to benefit is not unreasonably restricted. The benefits of learning at LSBU are open to anyone whom it believes has the potential to succeed. Throughout our history, LSBU has enabled wider access to education. Our 2020-2025 Strategy sets clear targets to focus on three key areas, all directly related to providing public benefit: student success; real world impact; and access to opportunity. The fourth key area, fit for the future, recognises the need for the University to adapt to the digital world, our new organisational structure and changing stakeholder expectations.

Like other universities, LSBU must charge tuition fees. However, tuition fee and maintenance loans are available to home undergraduates who have applied for funding via Student Finance England. In addition, the University offers financial assistance in the form of scholarships, bursaries, and charitable funds to students in need.

The University has a consolidated charitable fund for the welfare of students. This fund was worth £958,691 on 31 July 2025 (31 July 2024: £939,348). The funds are managed with the aim of securing capital growth and an annual income. In 2024-25 the income received was £25,103 (2023-24: £28,730). The income is allocated for distribution by the University's Hardship Panel to students in financial difficulty.

The University's curriculum is firmly rooted in professional courses supported by accreditation from professional, statutory, and regulatory bodies that enhance employability and career success. LSBU is 17th among UK universities for graduate starting salaries at one year after graduation – Longitudinal Educational Outcomes Data 2022-23 (published 2025).

The University also contributes to the wider public benefit through the publication of research. The University performed well in the most recent Research Excellence Framework (2021), with 68% of the research submitted rated as "World leading" or "Internationally excellent", a 14%-point rise from the previous REF (2014). LSBU is committed to Open Access, sharing scholarly works with industry, the professions and wider public through LSBU Open Research and providing an Open Access Fund to pay Open Access publication costs.

Access and Participation Plan statement 2024-25 to 2027-28

As part of LSBU's registration with the OfS, an Access and Participation Plan for the 2024-25 to 2027-28 academic years was approved by the OfS and made publicly available by LSBU on our website: <https://www.lsbu.ac.uk/about-us/policies-regulations-procedures>.

In the plan, we assessed our performance across access, student success, and progression, set out our ambition and strategy, and outlined our intended activity and measures. The plan is supported by an investment summary which demonstrates our commitment to our overarching mission of social mobility.

As set out later in the financial accounts, we spent over £2,294,549 across the 2024-25 academic year across three categories: access investment, financial support provided to students, and research and evaluation.

The total investment has supported the delivery of our plan this year across both general and targeted access, success and progression activity to address risks to equality of opportunity as outlined in the plan.

The investment summary and forecast below in access, financial support and research and evaluation does not represent the total amount spent by LSBU in these areas. The OfS does not require providers to report on investment in success and progression and therefore investment in these areas is not included in the summary.

LSBU: Access and Participation Plan investment summary 2024-25 including costs associated with disability support.

Access and participation plan investment summary (£000's)	Investment plan (from 2020-25)	Actual spend: Academic year 2024-25
Access investment (access)	£1,606	£1,426
Financial support provided to students	£260	£637
Research and evaluation	£94	£232
Total investment	£1,960	£2,295

The actuals differed to budget due to changes in in-year priorities and reduced student numbers versus those originally planned.

Disability statement

LSBU is committed to ensuring that staff and students with any disability have an equal opportunity to show their skills, reach their potential and excel in their chosen field.

Students benefit from colleagues working closely to ensure students are fully included in the learning experience and can demonstrate their skills and knowledge.

Staff policies and practices support relevant access and adjustments to the work environment, including for those that become disabled whilst in employment.

Alongside other staff networks, DNet aims to provide staff with a safe and confidential space to share experiences, opinions, information and support related to disability, and to support disability research and academic related practice.

As part of our wider commitment to Equality, Diversity & Inclusions, the Group is committed to eliminating all forms of discrimination. We pro-actively work to eliminate individual, institutional, and systemic inequalities within the University and Group.

Financial Review

Group Income Statement and Result for the Year

Financial Summary in £m		
	2024-25	2023-24
Income	196.1	207.5
Expenditure	203.9	215.5
(Deficit) before other gains and losses	(7.8)	(8.0)
(Deficit) %	-4.0%	-3.9%
Gains on investments	0.0	0.1
Gain on disposal of fixed assets	9.2	-
Surplus / (Deficit) for the year	1.4	(7.9)

The above surplus is shown after gains on investments and disposals of fixed assets but before an actuarial loss on pension schemes. Total comprehensive income was a deficit of £9.9m (2024: £21.7m deficit) when including the £11.3m actuarial loss on the LFPA pension scheme (2024: £13.7m loss).

The operating deficit was made up of £5.5m at the combined University and its trading subsidiary SBUEL, and £2.4m at SBC. The University incurred £2.0m of redundancy and £0.6m of other restructuring costs during the year. Excluding all redundancy / restructuring costs, the underlying operating deficit at the combined LSBU and SBUEL was therefore £2.9m.

Total income decreased to £196.1m, down £11.5m or 5.5% on 2024. There was a 5% decline in tuition fees of £6.7m to £130.9m at Group level due to a decline in total student numbers, the University made up £7.2m of the fall with SBC fees growing over the year.

Funding Body Grants grew £1.1m or 2.8% to £42.0m driven by further growth in 16-19 year old students at SBC funded via the Department for Education.

Research grants income decreased to £4.5m for the year, and we saw declines in residence, catering and other income with the total for these categories falling from £21.8m to £18.1m in the year.

Academic fees (including NHS contract income) and Funding Council Grants remain the main sources of income for the LSBU Group in 2024-25 representing 67% and 21% respectively (2024 66% and 20%). Well documented challenges in the attractiveness of the UK for International students led to a decline of £5m in Full Time International student fees at the University, a fall of 15% to £27.7m (or 21% of fee income). The majority of students at the University are on multi-year courses and so these changes will continue to impact financial performance over the next few years as cohorts progress. Full Time Home student fees also declined in the year, by £3.2m or 4.2% within the University, a fall of £2.7m at Group level, overall as competition for new entrants increased and student continuation was impacted by continuing cost of living challenges.

These changes in student cohort sizes and the impact on fees in the 2024-25 and following years are the primary reason for our work on financial improvements over the period 2024-25 to 2026-27. This three-year plan is focused on growth, academic delivery models and professional services efficiencies.

The impact of the first year of these financial improvements can be seen, in part, in our changes in expenditure over the year. Whilst income fell 5.5% at the Group, our expenditure fell by 5.4% from £215.5m to £203.9m.

Staff costs were reduced by £6.9m (or 5.9%) with staff numbers falling 8% to 1,622 across the Group. The difference in these percentages being the aggregate changes in employers NI, pensions and pay rates. This reflected the conclusion of the Academic Fit for the Future programme undertaken in Summer 2024 that both resized our workforce to reflect the changing student numbers and saw the change to move to nine Schools under three Colleges within the University.

Several professional service areas were also reviewed during the year, and reorganisations there resulted in cost savings in support staffing. There has also been significant work at SBC to reduce the reliance on agency staff via more direct permanent recruitment, whilst still growing the staffing base to serve higher student numbers in our

Further Education provision. Key management personnel costs fell 23% to £1.1m over the course of the year reflecting a focus on staff costs at all levels of the organisation.

Staff costs remained broadly consistent as a percentage of income at Group level, falling slightly from 56.6% to 56.4% of income over the year. The Group applied increased pay rates for cost of living in the year.

Staffing costs at SBC remain slightly higher as a percentage of income than the University. SBC staff costs are partly higher as a percentage of income versus the University due to the lagged FE funding for student growth and the need to grow staffing for these higher student numbers. There is also a relative lack of ancillary income not linked to staff resources, such as student accommodation, that is typically found in HE.

The LSBU Group remains actively focused on the size and shape of the workforce, across teaching, research and support roles. This is to ensure we reflect the changing needs and mix of our students and take account of the shifting cohort sizes across our subject ranges and levels of study.

‘Other Operating Expenditure’ for the group also decreased in the year, by £4.4m (or 5.9%) demonstrating the focus of our efforts across all categories of costs. In making savings in these areas, we remained at around 38% of our income being spent on non-staff costs in the year, reducing our spending in line with changes to income.

Depreciation increased slightly, rising to £15.9m, up from £15.8m in 2023-24 reflecting the profile of our fixed and intangible assets.

Interest costs recognised in the Income Statement also decreased in the year with loan and borrowing charges down £0.4m to £2.6m for the year, this reflected changes in the interest rate environment over the past 12 months.

There was one significant asset disposal in the year, a vacant property previously used as a student residence. The property, on New Kent Road, was sold for £9.65m in February 2025 and is shown in the Income Statement after the deduction of sale costs and the carrying value in the balance sheet.

There has been a further impact from the valuation approach of the LPFA pension scheme, leading to a material change to our Total Comprehensive Income for the year. The latest actuary reports show the combined LSBU and SBC LPFA net pension surplus has increased in the year from £20.4m to £58.2m. The fair value of scheme assets has increased by £17.4m or 6% versus the prior year assessment. The present value of funded obligations has decreased by £20.1m or 8% in this same time period. There remain, separate, unfunded LPFA liabilities of £6.3m, down from £6.7m in the prior year.

LSBU and SBC have no direct right to access their surpluses in the scheme. As continuing members this would only be via potential reductions in future employer pension contributions. An ‘asset ceiling adjustment’ is therefore applied by the actuaries to reflect the correct reportable surplus in the accounts under FRS102 accounting standards. This has the effect of reducing the reportable funded net asset shown to zero. The unfunded liabilities remain and are held as a provision in the balance sheet. The overall movement in this provision between years, the fall of £11.3m, is shown in the Income Statement.

Group Statement of Financial Position

Total reserves have fallen in line with the operating deficit and the movement in pension items described above and stand now at £268.7m, down from £278.6m in 2024.

Non-current assets, including fixed and intangibles, have fallen £7.4m to £390.8m, investments in intangibles kept pace with amortisation but fixed asset investment was below the annual depreciation charge. Our investments continue to be focused on the Curriculum Management and Student Record System project through to 2026-27. Whilst the Group’s fixed assets are held at depreciated historical cost, during the year a professional estates valuation was undertaken dated 31st July 2024 that indicated significant value unrecognised in the accounts.

Total cash holdings were £2.8m. This was increased from £1.5m at Group level last year. The Group’s approach to liquidity management has been to minimise the Group debt level and so interest expense incurred. This has resulted in us minimising the use of our revolving credit facilities (RCFs) at the balance sheet date. The total amount of RCF drawn at the end of July was £17.0m, up from £15.3m in July 2024.

Cash days stood at 5.5 days (2024: 3 days) of expenditure excluding depreciation costs at the balance sheet date. When considering undrawn and available funds from RCFs (£33m) and arranged overdrafts (£5m) this is expanded to 79 days of expenditure (2024: 66 days). This is reflective of where the Group is in its various estates’ development plans, having invested in the SBC Technical College (LSBTC) ahead of future asset disposals.

In the 2024-25 year, the LSBU Group renewed or extended the duration of its RCF agreements with both Barclays and AIB, its two principal lenders. The prior RCF agreements (Barclays £30m, AIB £15m) were due to expire in September 2026. LSBU arranged a larger £35m facility with Barclays on reduced cost margins until September 2030 (with two 1-year extension options) and extended the AIB facility for a further year to September 2027. This gives the LSBU Group access to significant funding via RCFs and overdrafts totalling £55m with £38m undrawn at the balance sheet date.

Including the increase to £17m of the RCF balance drawn, total borrowing was reduced by the amortising nature of much of the remainder of the Group debt. This stood at £40.8m down from £41.3m at last year end. There remain plans for repayment of material amounts of these balances from asset disposals as part of the emerging Southwark Master Plan work and Clapham and Nine Elms estates redevelopments.

There have been a range of small changes within working capital or short-term debtors (a fall of £1.0m at Group level) and short-term creditors (a fall of £5.4m).

Group Cashflow Statement

Total cash at the year-end was £2.8m as noted above. The cashflow from operating activities fell to £2.8m or 1.4% of income, down from 4.9% in the prior year. This related to the operating deficit for the year but also due to some accrued exit costs from 2023-24 being paid in 2024-25.

The Group continued to invest in its asset base, both tangible and software, with £9.5m (2024: £14.6m) partially funded by capital grant inflows of £1.6m (2024: £4.7m). The sale of the property on New Kent Road, completed on 28th February 2025, was a net cash inflow of £9.4m after disposal costs.

The Group repaid £2.2m of amortising borrowings during the year, incurred £2.6m of interest payable and drew down £1.7m of the RCF in the year. In combination this was a net £3.1m outflow in the year from financing activities.

The Group always plans to have sufficient liquid assets to meet its liabilities as they fall due. The levels of borrowing and the headroom in current facilities are reviewed on a regular basis and are considered adequate to meet current operational plans.

Financial Trend Analysis

In the period of the last 8 years, the LSBU Group has grown considerably. In the 2017-18 year, the year before the integration of Lambeth College as South Bank College, income was £145.3m. It has increased by 35% to stand at £196.1m today. Non-current assets have grown from £218.9m to £390.8m, an increase of 79%, following a range of investment in educational space.

There have been large decreases in funding grants, but this has been offset by increased tuition fee income. Real terms funding per student continues to decline, as home undergraduate tuition fees have not been increased with inflation, the Group welcomes the increases planned in the coming years but the value of this unit of resource has been significantly eroded over the past 8 years. The LSBU Group has seen good growth in its further education and apprentice provision. Postgraduate and international student tuition fees have also increased over this period but are increasingly challenged markets.

Student demand for UK higher education continues to change in terms of the number volume, affordability and the models of educational delivery and quality demanded by students. The rapid advances in Artificial Intelligence over the past few years is altering how we teach, assess and train students in the skills needed for the occupations of the future. At the Group, we continue to innovate in how and what we teach and research and how we engage with partners and employers.

Under normal circumstances, the LSBU Group aims to make a small operating surplus each year, reinvesting our resources in service to our charitable objects. The deficit for this year was planned, and we beat our budget targets for 2024-25 with resilient recruitment and a sharp focus on efficiency. The Group's future forecasts, submitted to our regulator the OfS, continue to reflect an expectation of not returning to surplus until 2026-27.

The Group has been challenged over the past three years, like most of the UK higher education sector, and has made a deficit in each of these years. Issues over this period, as we emerged from the global Covid pandemic have included changes to student demand, high rates of cost inflation and increasingly competitive student recruitment rounds. These have all meant the Group has needed to adapt to changing income and cost levels over this time period.

We continue to seek ways to best use our limited resources, planning for sustainable growth in some subject areas whilst focusing our curriculum on our Technical & Professional specialisms and strengths. As we adjust our offer across education, research and enterprise, to deliver on our financial improvements, we focus above all on retaining the high quality and impact of our work. The coming academic and financial year, 2025-26, will see the launch of our updated Group Strategy as we continue to adapt and evolve our innovative integrated tertiary education offer.

Subsidiaries

The following subsidiary companies are consolidated into these accounts; South Bank Colleges, South Bank University Enterprises Ltd (SBUEL) and SW4 Catering Ltd.

South Bank Colleges deliver a wide range of courses and apprenticeships that open doors to career opportunities and further study.

SBUEL is the wholly owned trading subsidiary of LSBU. It undertakes 'non-primary purpose' business on behalf of LSBU to ensure the effective segregation of activity not directly in service to its charitable objects. SBUEL has entered into Gift Aid arrangements in order that its taxable profits can be donated to the University. SBUEL donated £3.32m in gift aid to the University (2024: £1.3m).

SW4 Catering Ltd is a dormant wholly owned subsidiary of South Bank Colleges, this did not trade during the 2024-25 year.

Section 172 statement

In accordance with Section 172 of the Companies Act 2006 Governors, both individually and collectively, act in the way that they consider, in good faith, would most likely promote the success of the University and the Group.

The Group has strong relationships with its many stakeholders and partners. We see success being shared where we connect and collaborate across sectors, in our local, national and international endeavours.

The duty to promote the success of the Group is defined in the Companies Act 2006, Section 172:

A director of a company must act in the way he/ she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term*
- b. The interests of the company's employees*
- c. The need to foster the company's business relationships with suppliers, customers and others*
- d. The impact of the company's operations on the community and the environment*
- e. The desirability of the company maintaining a reputation for high standards of business conduct*
- f. The need to act fairly as between members of the company.*

Section 172(f) is not relevant to LSBU as the University's Governing Body are the members of the company given that it is a company limited by guarantee.

The University considers its stakeholders to include (but are not limited to):

- Students, Alumni, Staff and Governors;
- The Students Unions of both LSBU and SBC;
- Recognised staff unions
- UK Government bodies including the Department for Education, Local Government particularly of the boroughs in which we operate
- Funders and regulators such as the Office for Students, Research England / UKRI and public and charitable funders
- Industry, NHS and employer partners, research partners and collaborators
- Our local communities including residents, communities and local schools and colleges
- Other regulatory bodies and Professional, Statutory and Regulatory Bodies (PSRBs)
- Sector, national and international partner organisations
- Donors, sponsors and advocacy groups

The University engages stakeholder groups in different ways, reflecting the relationships that are in place or sought to be promoted. For example, employees are consulted on major change initiatives in their areas, we

conduct employee engagement survey biannually and we have elected staff representatives on key governance committees. We work closely with funders, regulators and partners to ensure our mutual understanding and positive relationships. Our work with PSRBs is linked to our professional and technical course offerings ensuring the relevance of our offer and compliance with industry body expectations around content and assessments.

Governors have regard to the:

- likely consequences of any decisions in the interests of students, colleagues and wider partners and interested parties;
- public benefit of the work we do and the need to ensure that funds, including public funds, are properly managed;
- impact of the University's operations on communities and the environment;
- need to foster the University's business relationships with suppliers, customers and other key stakeholders; and
- desirability of the University in maintaining a reputation for high standards of conduct.

The Board of Governors and its committees consider the potential consequences of its decisions on its key stakeholders, taking into account a wide range of factors as set out below. The Board believes that the University will be successful by having regard to the views and needs of its stakeholders. Decisions made by the Board are informed by the University's mission, vision and values.

The Board meetings include strategic presentations and reports with regular updates on progress against corporate strategy and key performance indicators. The Vice Chancellor is a governor and provides a formal report at every meeting. The Board can include up to two student and two staff governors who are able to give the benefit of their experience as part of the Board's decision-making.

During the year, the Board considered the following key matters: annual Academic Board reports, EDI, health & safety reports, corporate risk, KPIs, approved any key international partnerships and the budget. Major investments and disposals also come to the Board for authority. In addition, there were two Board strategy days where governors considered elements of the current and next corporate strategy in greater detail.

In considering this wide range of strategic matters, the Board has been able to balance the needs of the University's many stakeholders.

Disclosure of information to auditors

At the date of making this report each of the governors, listed on page 3, confirm the following:

- As far as each governor is aware, there is no relevant information needed by the University's auditors in connection with preparing their report of which the University's auditors are unaware; and
- Each governor has taken all the steps that he or she ought to take as a governor in order to make him or herself aware of any relevant information needed by the University's auditors in connection with preparing their report and to establish that the University's auditors are aware of that information.

Independent Auditors

RSM UK Audit LLP will be considered for reappointment as external auditors for the 2025-26 financial year.


Directors' and Strategic Report

The Directors' and Strategic Report serves as the University's Directors' Report for the purposes of the Companies Act 2006.

Approval

Approved by the Board of Governors and signed on behalf of the Board on 29 January 2026 by:


Dr Andreas Raffel
(Chair)


Mr Paul Kett
(Vice Chancellor and Chief Executive)

Corporate Governance Statement

Statement of Board of Governors responsibilities in respect of the Directors' and Strategic Report and the financial statements

The Board of Governors is responsible for preparing the Directors' and Strategic Report, the Report of the Governors and Corporate Governance Statement 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 Board of Governors (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 Board of Governors 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 LSBU 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 Board of Governors 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 have no realistic alternative but to do so.

The Board of Governors 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 them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors 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;
- 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 Board of Governors 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.

Corporate Governance Statement

Statement of Board of Governors Responsibilities in respect of the Directors' and Strategic Report and the Financial Statements for the year ended 31 July 2025 and up to the date of approval of the financial statements

The following statement is given to assist readers of the accounts in understanding the governance and legal structure of the University and its group. The accounts of South Bank Colleges (SBC) and South Bank University Enterprises Ltd form part of these accounts (South Bank Academies is also within the LSBU Group but is not consolidated). Further details on the corporate governance arrangements of these companies are included in their own accounts.

The University's Board of Governors is committed to maintaining the highest standards of corporate governance. In carrying out its duties it follows:

- The Directors' duties as set out in sections 170 – 177 of the Companies Act 2006
- The CUC Higher Education Code of Governance
- Higher Education Senior Staff Remuneration Code
- Higher Education Audit Committees Code of Practice
- The Office for Students (OfS) Terms and conditions of funding for higher education institutions and the Code of Audit Practice (November 2024)
- The OfS Public Interest Governance Principles
- The Charity Commission's Guidance on Public Benefit and its duties as charity trustees of compliance, prudence and care
- The University's Articles of Association and standing orders
- The Seven Principles of Public Life
- Other legislative requirements of corporate and Higher Education bodies

Governance and Legal Structure

London South Bank University is a company limited by guarantee and an exempt charity within the meaning of the Charities Act 2011. Its objects and powers are set out in its Articles of Association. The Articles provide the governance framework of the University and set out the key responsibilities of the Board of Governors and its powers to delegate to committees, the Vice Chancellor and the Academic Board.

Compliance with the Public Interest Governance Principles

The University demonstrated its compliance with the OfS's Public Interest Governance principles when registering with the OfS and they continue to be upheld by LSBU through the current governance structures reported in this section and the University's relevant published policies.

Compliance with the CUC Higher Education Code of Governance

The Board has materially complied with all aspects of the revised Higher Education Code of Governance (CUC, September 2020) during the year under review, as demonstrated below. References to paragraphs of the code are shown in brackets below.

Decision making

London South Bank University is led by a Board of Governors, which is collectively responsible for the strategic direction of the University, approval of major projects and partnerships and ensuring that the potential of every student is maximised (2.1).

The Board has agreed a Schedule of Matters Reserved which establishes the responsibilities of the Board and its committees. The Board, and where appropriate, its committees make decisions by consensus at meetings or electronically via the board portal. The schedule is reviewed on an annual basis. The schedule reflects the group structure of LSBU.

During the year, the Board met five times (six times in 2023-24) including one virtual meeting to approve the future need of the Havering Campus. The Board also held two strategy days allowing further time to discuss and debate longer-term strategic challenges for the University (and Group). All Governors are expected to attend

meetings and to contribute effectively. The attendance at Board meetings is recorded and monitored by the Secretary, and is as follows:

Board of Governors

*denotes a part year membership term

Andreas Raffel	5/5
Charlotte Adams*	4/4
Duncan Brown	5/5
Shona Brown	4/5
Danny Clegg*	4/4
John Cole	5/5
Helen Coleman	5/5
Ruth Farwell	5/5
Tim Fransen*	1/2
Mark Lemmon	5/5

Areej Mansuri*	3/4
Neelan Pillay*	1/1
Ola Obadara	3/5
Jeremy Parr	4/5
David Phoenix*	4/4
Vinay Tanna	5/5
Paul Hayes	5/5
Montasar Hamdi*	2/3
Jennifer Thomson	4/5

Group Audit and Risk Committee

Ducan Brown	5/5
John Cole	5/5
Mark Lemmon	4/5
Neelan Pillay	5/5
Dave Phoenix*	2/4
Korsan Cevdet*	1/1

Group Remuneration committee

Jeremy Parr	3/3
Shona Brown	3/3
Ola Obadara	2/3
Andreas Raffel	3/3

Finance and Investment Committee

Vinay Tanna (Chair)	4/5
Tim Fransen*	1/2
Ola Obadara	3/5
Jeremy Parr	4/5
David Phoenix*	3/3
Jennifer Thomson	5/5

Strategy and People Committee

Dr Shona Brown (Chair)	5/5
Charlotte Adams	5/5
Danny Clegg*	3/3
John Cole*	3/3
Helen Coleman	3/5
Paul Hayes*	4/4
David Phoenix*	3/4

The Board has due regard to Charity Commission guidance on public benefit when making decisions (see separate statement of public benefit on page 19 (2.6). The Board receives an annual reminder on Charity Commission guidance (most recently November 2024). It receives assurance that the institution meets the requirements of the *Terms and conditions of funding for higher education institutions* with OfS through the Group Audit and Risk Committee (2.6).

Compliance

All governors and members of the Executive are required to declare their interests on appointment, on an annual basis and are required to declare any interests which relate to decisions at meetings. During the year under review, all declared interests were authorised by the Board. No conditions were attached to any of these interests.

As the governing body, the Board affirms that it makes decisions without any undue pressure from external interest groups, which is assured through the declaration of interests' process (3.3).

The Board receives annual reports on the institution's compliance with key legislation, for example health and safety, equality, diversity and inclusion, and otherwise by exception reporting (1.2). In addition, independent

governors have the right to external, independent advice at the University's expense where necessary in order to fulfil their duties. Reportable events are reported to the OfS when discovered and annually as part of the Accountability and Assurance statement (6.3). There were no reportable events reported to the OfS during the year.

The Board receives annual reports from the Students' Union in relation to its democratic processes and finances (3.6).

Financial sustainability

The Board is responsible for the financial sustainability of the institution and approves the annual budget, which is aligned to the five-year corporate strategy (2.2). The Board oversees the performance and financial sustainability of the institution by regularly reviewing key performance indicators (KPIs), management accounts and future year forecasts (2.3). Overall financial control is delegated to the Group Chief Financial Officer, who is a member of the Executive and has regular access to the Vice Chancellor as and when required (2.6).

Academic governance

The Board has oversight of academic governance across the institution, receiving an annual assurance report from the Academic Board, covering its Quality, Research and Student Experience Committees. An independent governor attends Academic Board meetings as an observer.

The Board has regard to the principle of academic freedom (2.7).

Apprenticeship activity

The Board has appointed one independent governor as a link governor for apprenticeships and this continued throughout the 2024-25 year. This appointment increases visibility of apprenticeship activity by the Board and supports continued expansion and success in this area. The Strategy and People Committee has since received reporting on the development of apprenticeship activity within the Group.

External activities

The Board reviews all proposals for all significant, external activities (for example, franchises or joint ventures) and independent legal advice is sought, if necessary.

Due diligence is conducted when entering into major projects that have significant risk associated with them (2.6).

Equality and Diversity

The Board receives an annual report on equality, diversity and inclusion (EDI), and compliance with the public sector equality duty under the Equality Act 2010 (4.1, 4.3).

The Board regularly reviews its composition and considers equality and diversity in its appointments. The Group Nomination Committee has agreed that in the event of underrepresentation of any group, targeted recruitment would be used to address this (4.4, 5.3). It has also agreed to have gender balanced longlists and shortlists for governor recruitment and that 'approach to diversity' shall be a consideration when selecting recruitment consultants. The shortlist for candidate interviews was gender balanced in the year.

Structures and processes

The Board when fully complemented consists of 18 governors: 13 independent governors, the Vice Chancellor, two student governors and two staff members (one Academic, one PSG). Governors serving for the period are listed on page 3. The Board determines the number and composition of the Board of Governors within parameters set by the University's Articles of Association. Staff and student governors were not excluded from any items at Board meetings during the year (1.4).

Under the Articles, the Board has the power to remove any governor from office if they breach their terms of office (5.9). On appointment, governors also agree to act in accordance with the Seven Principles of Public Life and the University values. (1.3, 3.1). All members of the Board have access to the services of the Clerk. The appointment or removal of the Clerk is a matter for the Board as a whole under the Articles (5.1).

Following the publication of the OfS Public Interest Governance Principles in 2018, all governors have confirmed that they meet the 'fit and proper' definitions as set out by the OfS.

Committees

The Board delegates authority to a number of committees. All committees are formally constituted with appropriate terms of reference, which are reviewed annually. Terms of reference and membership of each committee are available on the governance pages of the University's website. Each committee (except the Honorary Awards Joint Committee) has a majority of independent governors. The chairs of each committee are independent governors and are set out below under Key Individuals.

The following principal committees met throughout the year:

- Appointments Committee
- Group Audit and Risk Committee
- Finance and Investment Committee
- Group Nomination Committee
- Remuneration Committee
- Strategy and People Committee
- Honorary Awards Joint Committee

The Group Nomination Committee is responsible for recruiting new independent governors (5.10) and taking a Group-wide approach to succession planning in the Boards of the three institutions. Recommendations are made to the Appointments Committee, which makes the final decision on appointment. A written description of the role and capabilities required of governors has been agreed by the Nomination Committee. Candidates are judged against the capabilities required and the balance of skills and experience currently on the Board. The balance of skills, experience and diversity of independent governors is kept continually under review by the Group Nomination Committee.

The Group Audit and Risk Committee oversees LSBU's audit activities including auditing the financial statements, appointing the internal and external auditors and advising the Board on the effectiveness of the internal control system. As previously agreed by the Board, the Group Audit and Risk Committee has a Group-wide remit which includes noting internal audit reports from SBA and SBC.

Membership of the Group Audit and Risk Committee is between three and four independent governors, and a co-opted external member. Following OfS requirements, the committee produces an annual report for the Board (2.12), which gives an annual opinion on risk management control and governance; economy, efficiency and effectiveness; and management and quality assurance of data submitted to external bodies. The committee reviews the effectiveness of the systems of control in place across the institution. The committee receives an annual report on the quality of data submitted to external bodies. The committee also receives assurance annually from the external auditor that public funds have been spent appropriately.

The Finance and Investment Committee provides for the Board in-depth review of the University's in-year financial performance and cashflow and the proposed annual budget and future year forecasts. The committee also reviews the financial implications of student recruitment and enterprise activities, international partnership performance, investment and delivery of significant projects, the digital and physical estate and infrastructure, proposals to acquire and/or dispose of land or buildings and the establishment of operating subsidiary companies. Membership of the committee is up to four independent governors plus the Vice Chancellor, one student governor and/or one staff governor.

The Strategy and People Committee is responsible for the oversight of progress against the corporate strategy, student access and participation in education, and people and organisational development matters. It provides for the Board an in-depth review of group-wide performance against high-level KPIs, student recruitment and enrolment, student access and participation, retentions and progression; diversity, engagement and wellbeing of staff and students; and workforce development in line with the professional and technical Group ambitions. The committee also considers the embedding of the LSBU Group's Behaviours to promote a positive and inclusive culture aligned to the Groups' mission and strategic objectives. Membership consists of up to four independent governors, the Vice Chancellor, plus one student governor and/or one staff governor.

The Remuneration Committee decides the remuneration of senior executives, including the Vice Chancellor (2.10). Membership of the committee is four independent governors, including the Chair of the Board. No individual is present for discussions that directly affect them. The Vice Chancellor is not a member of the committee. The committee considers comparison information and use of public funding when deciding remuneration.

Further details on the work of the committee are included in the annual remuneration report below (at page 35).

The Honorary Joint Awards Committee is a joint committee of the Board and the Academic Board. It has delegated authority from the Board of Governors to select recipients for the conferment of an honorary degree or an honorary fellowship based on procedures and criteria as approved by the Academic Board. Its membership comprises independent governors, and staff and student governors who are also members of the Academic Board.

LSBU Group

Since the creation of the LSBU Group in 2018-19, group governance structures have continued to be developed. Both South Bank Academies and South Bank Colleges have their own Boards of Trustees who are responsible for the success of their companies. The LSBU Board continues to oversee LSBU but also has oversight of the value that both SBA and SBC bring to the LSBU Group. The Chairs of the Group Boards meet regularly to discuss matters affecting the three educational institutions. One of the annual strategy days is reserved to cover Group strategy.

This year also saw a combined Board effort to recruit our new Group CEO and Vice-Chancellor with a joint appointment panel reflecting the importance of this role across the Group. This is the first time, post-merger, that a leader has been recruited to the Group specifically for this role.

Key Individuals

Position	Name	Period
Chair of the Board of Governors	Andreas Raffel	
Vice Chair of the Board of Governors	Shona Brown	
Senior Independent Governor	Mark Lemmon	
Group CEO	David Phoenix	(until 04/06/2025)
(Vice Chancellor and Chief Executive)	Paul Kett	(from 08/09/2025)
Co-Group CEO	Tara Dean	(from 04/06/2025 to 08/09/2025)
(Co-Vice Chancellor and Co-Chief Executive)	Deborah Johnston	(from 04/06/2025 to 08/09/2025)
Chair of Group Audit and Risk Committee	Duncan Brown	(until 31/07/2025)
	John Cole	(from 01/08/2025)
Chair of Finance and Investment Committee	Vinay Tanna	
Chair of Strategy and People Committee	Shona Brown	
Chair of Group Nomination Committee	Andreas Raffel	
Chair of Appointments Committee	Andreas Raffel	
Chair of Remuneration Committee	Jeremy Parr	
Group Secretary and Clerk to the Board of Governors	Samuel Curtis	

Key individuals can be contacted through the office of the Group Secretary and Clerk to the Board of Governors, Mr Samuel Curtis, at London South Bank University, 103 Borough Road, London SE1 0AA. Published documents are available on the governance section of the University website.

The University, as is common in the sector, has placed directors and officers insurance as part of its overall insurance arrangements.

Statement of Primary Responsibilities of the Board of Governors

(based on the CUC Guide for Members of Higher Education Governing Bodies in the UK)

1. To set and agree the mission, strategic vision and values of the University with the Executive.
2. To review the overall performance and alignment to LSBU's mission and charitable objectives of each of South Bank Colleges, South Bank Academies and South Bank University Enterprises Ltd.
3. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.

5. To delegate authority to the Head of Institution for the academic, corporate, financial, estate and human resource management of the University, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice Chancellor.
6. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
7. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
8. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
9. To safeguard the good name and values of the University.
10. To appoint the Vice Chancellor as Chief Executive and to put in place suitable arrangements for monitoring their performance.
11. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
12. To be the employing authority for all staff in the University and to be accountable for ensuring that an appropriate human resources strategy is established.
13. To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the University's assets, property and estate.
14. To be the University's legal authority and, as such, to ensure systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
15. To receive assurance that adequate provision has been made for the general welfare of students.
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
17. To ensure that the University's constitution is always followed, and that appropriate advice is available to enable this to happen.
18. To promote a culture which supports inclusivity and diversity across the University.
19. To maintain and protect the principles of academic freedom and freedom of speech legislation.
20. To ensure that all students and staff have opportunities to engage with the governance and management of the University.

Statement of Internal Control

As the governing body of London South Bank University, we have responsibility for ensuring that there is a process for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives of the University, whilst safeguarding the public and other funds and assets for which we are responsible.

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 linked to the achievement of institutional objectives and designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. This process has been in place for the year ended 31 July 2025 and up to the date of approval of the financial statements and accords with OfS conditions.

As the governing body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- During the year we meet five times (plus two strategy days) to consider the plans and strategic direction of the institution;
- The approach to internal control is risk based, including a regular evaluation of the likelihood and impact of risks becoming a reality;
- The Group Audit and Risk Committee provides regular oversight of the risk management process and comments on its effectiveness;
- Also the Group Audit and Risk Committee has a Group-wide remit which includes noting internal and external audit reports from SBA and SBC.
- SBC and SBA also have subcommittees of their own Boards that receive and consider their internal and external audit reports.
- We receive periodic reports from the chair of the Group Audit and Risk Committee concerning internal control and we require regular reports from managers on internal control activities and the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects;
- The Group Audit and Risk Committee receives regular quarterly reports from management;
- Internal audit is outsourced to an external provider. The Group Audit and Risk Committee receives regular reports from the internal auditor, which include their independent opinion on the adequacy and effectiveness of the institution's system of internal control, governance and risk management processes, together with recommendations for improvement;
- The Group wide internal audit programme has been aligned with the University's corporate risk register;
- An organisation-wide register of key corporate risks is maintained, together with individual operational risk registers for each Entity, College and professional service group. Review procedures cover risk to achievement of strategic objectives, operational business matters, and regulatory compliance as well as financial risk;
- Every Corporate Risk has an Executive Risk Owner, and every Executive member is the risk champion for their area of the institution;
- Formal risk management and internal control procedures have been embedded within ongoing operations.

Our review of the effectiveness of the system of internal control is informed by internal audit, which operates to standards defined in the OfS Regulatory Framework and, as per the Internal Audit Charter, also adheres to the definition of internal auditing, code of ethics and the standards for professional practice that are published by the Institute of Internal Auditors. The internal auditors submit regular reports, which include their independent opinion on the adequacy and effectiveness of the institution's system of internal control, governance and risk management processes, with recommendations for improvement.

Our Internal Auditors, KPMG, stated that their "overall opinion for the period 1 August 2024 to 31 July 2025 is that: 'Significant assurance with minor improvement opportunities' can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."

Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Annual Remuneration Report

This remuneration report sets out the University's approach to determining senior pay and outlines performance and reward during the year.

The Board has adopted the CUC Remuneration Code and approved a senior remuneration policy. A key principle of the latter is to ensure base salaries for established executives, performing well, are competitive in the London marketplace and beyond i.e. normally no worse than the London median for comparable institutions.

The Remuneration Committee is responsible for determining the remuneration of the Group CEO and Principal Accounting Officer (also the Vice Chancellor of the University and Accountable Officer/CEO SBC) and Senior Executives covered by the Senior Remuneration Policy. Senior Executives are the senior leaders of LSBU Group who report directly to the Group CEO.

Full details of the senior pay policies referred to in this report are available on the LSBU website.

Terms of Reference

The Remuneration Committee's Terms of Reference are available online.

Committee Membership 2024/2025

The members of the committee for the year 2024/25 were Jeremy Parr (Committee Chair), Ola Obadara, Andreas Raffel (Chair of the Board) and Shona Brown (Vice Chair of the Board). All members of the committee are independent governors. No members of the executive are members of the committee. The Group CEO is invited to committee meetings where appropriate, such as to make recommendations on pay awards of senior executives. No member of the executive was present for any discussion on their own remuneration.

Committee meetings 2024/25

The committee met three times in the 2024/25 academic year.

- 7 October 2024
- 18 November 2024
- 7 April 2025

Approach to remuneration of all staff in 2024/25

LSBU Group is a large complex organisation requiring both general and specialised leadership to fulfil its strategic objective of being seen as a nationally leading provider of technical and professional education. This requires the provision of high-quality teaching and support to its students, at home and overseas, enabling them to face the real world confidently and successfully. The teaching environment will be underpinned by input from employers and will have a strong focus on enterprise and applied research.

To achieve this objective, LSBU Group needs to attract, retain and motivate a strong calibre of leaders with competitive remuneration packages, within both a national and international labour market. However, the approach to senior remuneration must be framed within a context that all LSBU Group employees are remunerated appropriately.

We aim to create an environment which attracts and retains the best diverse talent possible and in which all staff, whatever their role, feel valued and proud to work for the Group.

Senior Remuneration

In setting senior remuneration, LSBU has adopted the CUC Higher Education Senior Staff Remuneration Code (2018).

LSBU's Senior Remuneration Policy (agreed by the Board in 2024) sets out the following principles for senior remuneration:

- Remuneration will be applied to ensure that it is discrimination free, and based on job scale and complexity;
- Base salaries for established executives, performing well, are competitive in the London market-place and beyond i.e. normally no worse than the London median for comparable institutions;

- Overall remuneration levels, including benefits, will be set to attract and retain good quality leaders;
- Starting packages will reflect the experience and capability and particular circumstances of candidates, and the size and challenge of the particular role facing them;
- New starters will initially therefore often receive higher than average annual increases as their performance moves towards and as appropriate above the median expected for the role;
- Overall nonetheless the average % annual pay increases for senior executives as a whole will normally be no higher than for all employees, including the value of increments, where paid;
- Account will also be taken of the ratio of the Group CEO's base salary within an HE setting and total remuneration to the median earnings of the university as a whole, both absolute and the change from the previous years;
- The Board will publish the value of the packages of some or all of its senior executives, in the way defined and required by the Office for Students (OfS);
- These principles will be resubmitted to the full Board for endorsement, as a minimum once every three years and will be published in LSBU's Report & Accounts.

Benchmarking

The committee has agreed that based on the distinctive challenges and structure of the LSBU Group the following relevant benchmarks and indicators would normally be taken into consideration when setting and reviewing the Group CEO/Vice Chancellor's salary:

- London modern universities
- To the extent available, institutions of similar size and type based on UCEA data (this data will be interpreted to take account of LSBU's London location by adding 5%); and
- To the extent available, other universities with a group structure or similar complexity of structure or regulatory framework.

Executive pay is independently benchmarked every three years. Korn Ferry carried out this review in October 2024. Following this review the remuneration committee agreed that overall benefits for its executive team remain broadly comparable for their roles, but that some adjustments might need to be made, depending on performance, in future years.

The Korn Ferry Hay method of job evaluation was used to set the benchmark for all executive level jobs and salaries.

Institutional performance, 2024/25

The Board monitors the performance of the University through the agreed key performance indicators. As set out in the Directors' and Strategic Report, the University performed well in many strategic outcomes.

Institutional performance including areas measured by the key performance indicators plus individual objectives are reviewed as part of individual executives' appraisals and are monitored by the Remuneration Committee.

In conclusion, the Group, with a prudent financial strategy, is well placed to thrive and improve student outcomes in a potentially tough environment going forward. The Board continues to recognise the importance of maintaining a strong and determined leadership team across all areas of activity.

Group CEO

In June 2025, Professor Dave Phoenix stepped down as Vice Chancellor and Group CEO. The Board sought an executive search firm to support it in recruiting Paul Kett, who joined us in September 2025. In the interim period, Professor Deborah Johnston and Professor Tara Dean were appointed in a joint capacity as "Interim joint Vice Chancellor and Group CEO".

During this time, Professor Johnston and Professor Dean were given additional executive responsibilities which ensured that the organisation remained operationally viable until a new Group CEO was appointed. The remuneration for these roles, as agreed by the Group Remuneration Committee was a small uplift to their current salaries due to the additional responsibilities. Professor Dean was appointed as the Accountable Officer for the University and Professor Johnston was appointed as Accounting Officer for South Bank Colleges (SBC).

In September 2025, Paul Kett joined the institution following a robust executive search process. The Board has been working with Paul supporting him with his onboarding and developing objectives which will support the organisation into the future.

The Remuneration Committee has had sight of these draft objectives and are content that they will meet the needs of the organisation and the new corporate strategy which is due to be launched in December 2025.

Performance related pay, 2024/25

Under the Senior Remuneration Policy the Group CEO and Senior Executives were previously eligible for a bonus of up to 10% of salary and for a team bonus of up to 9% of salary. However, following its meeting in July 2024 the Committee approved, and the Board subsequently agreed, the removal of the Executive Bonus Schemes, together with the consequent amendments to the Senior Remuneration Policy.

Total Remuneration: Group CEO

The table below sets out payments to the Group CEO, including the co-CEO's during 2024-25 with a comparison to 2023-24. The bonus figure in 2023-24 relates to performance in the prior 2023-23 year.

Emoluments of the Group CEO	2024-25	2023-24
	£'000	£'000
Salary	258	262
Accommodation allowance	9	10
Performance related pay	-	10
Taxable benefits (medical insurance)	2	2
Subtotal	269	284
Pension scheme contributions or payments in lieu of pension contributions	38	38
Total	307	322

The split in costs between individuals in the role during the 2024-25 year can be seen in Note 10.

Pay Multiple

The Group CEO/Vice Chancellor's basic salary is 6.23 (2024: 6.46) times the median pay of staff across the University, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Group CEO/Vice Chancellor's total remuneration salary is 6.27 (2024: 6.53) times the median total remuneration of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The pay multiple has remained in line with that of previous years.

Year	Ratio – basic salary	Ratio – total remuneration
2024-25	6.23	6.27
2023-24	6.46	6.53

The ratios do not include agency workers.

The LSBU ratios compare to the average sector ratio of 6.9 for basic pay and 7.3 for total remuneration. The Million Plus group ratio is 6.2 for basic pay. The post-92 institution type ratio is 6.6 for basic and 6.8 for total remuneration (based on UCEA data for 2023-24).

External appointments, expenses and severance

LSBU's policy on the declaration and retention of income generated from external bodies is that Executive members are expected to declare any external income. The expectation is that external income can either be retained or shared with the institution. Agreement shall be sought from the Vice Chancellor (and in the case of the Group CEO by the Chair of the Board and reported to the Chair of the Remuneration Committee). Where Executive members are appointed on a fractional basis it may well be external activity can be accommodated outside contract, but it should still be declared to avoid conflict. The Remuneration Committee reviews these declarations.

The Group CEO/s did not undertake any external remunerated activity.

LSBU's Expense policy is available online. It applies to all staff including Senior Executives.

In 2024/25, the Group CEO's expenses totalled £2,772 (2023/24: £4,644). These are payments on a purchasing card for travel, accommodation, meals, entertaining and other authorised costs, and other travel booked through the University's central travel buying team. No expenses were claimed through the payroll.

The Remuneration Committee has approved a policy on severance arrangements.

Independent Auditors report to the Members of London South Bank University

Opinion

We have audited the financial statements of London South Bank University (the ‘University’) and its subsidiaries (the ‘Group’) for the year ended 31 July 2025 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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s and the University’s affairs as at 31 July 2025 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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Office for Students’ Accounts Direction.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor’s report thereon. The Board of Governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' and Strategic Report, which includes the directors' report and the strategic report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report included within the Directors' and Strategic Report, have been prepared in accordance with applicable legal requirements.

Opinion on other matters prescribed by the Office for Students

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Department for Education have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the University and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report included within the Directors' and Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters in relation to which the Office for Students' accounts direction requires us to report to you if:

- the University's grant and fee income, as disclosed in the note 8 to the accounts, has been materially misstated;
- the University's expenditure on access and participation activities for the financial year as disclosed in note 11b has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Statement of the Board of Governors' Responsibilities set out on page 27, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they

give a true and fair view, and for such internal control as the Board of Governors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Group and University operates in and how the Group and University are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the Office for Student Regulatory Advice 9: Accounts Direction and the Terms and Conditions of funding for Higher Education Institutions, Companies Act 2006 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements disclosures and undertaking procedures to confirm compliance with the requirements of the Office for Students and other funders' terms and conditions of funding and Accounts Direction, and evaluating advice received from tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to higher education legislation and regulation including the regulatory requirements of the OfS (including conditions of registration), and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to enquire of management and those charged with governance whether the group was in compliance with these law and regulations and inspected regulatory and legal correspondence.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and reviewing income transactions to test whether these have been recognised in line with the applicable accounting policy.

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

Use of our report

This report is made solely to the University's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members 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 University's members, as a body, for our audit work, for this report, or for the opinions we have formed.

HCatchpool

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

30th January 2026

**Consolidated and University Statement of Comprehensive
Income and Expenditure
Year ended 31 July 2025**

	Note	CONSOLIDATED		UNIVERSITY	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	2	130,892	137,607	126,830	134,028
Funding body grants	3	41,975	40,850	13,529	13,747
Research grants and contracts	4	4,490	5,730	4,154	4,650
Other income	5	18,074	21,823	16,160	19,124
Investment income	6	209	1,133	194	803
Donations and endowments	7	420	392	3,347	1,340
Total income		196,060	207,535	164,214	173,692
Expenditure					
Staff costs	9	110,546	117,488	89,720	96,459
Other operating expenses	11a	74,841	79,272	63,409	69,156
Depreciation	14-15	15,890	15,773	12,601	13,002
Interest and other finance costs	13	2,619	3,010	2,619	3,010
Total expenditure		203,896	215,543	168,349	181,627
(Deficit) before other gains and losses		(7,836)	(8,008)	(4,135)	(7,935)
Gains on investments	22	19	72	19	72
Gain on disposal of fixed assets		9,220	-	9,220	-
Surplus / (Deficit) for the year		1,403	(7,936)	5,104	(7,863)
Actuarial (loss) in respect of pension schemes		(11,339)	(13,728)	(9,594)	(8,559)
Total comprehensive (expenditure) for the year		(9,936)	(21,664)	(4,490)	(16,422)
Represented by:					
Endowment comprehensive income for the year		19	72	19	72
Restricted comprehensive income for the year		-	-	-	-
Unrestricted comprehensive (expenditure) for the year		(9,955)	(21,736)	(4,509)	(16,494)
Attributable to University		(9,936)	(21,664)	(4,490)	(16,422)

All activities consist of continuing operations.

Consolidated and University Statement of Changes in Reserves
Year ended 31 July 2025

Consolidated	Income and Expenditure Reserve		Revaluation Reserve	Total Reserves
	<i>Endowment</i> £'000	<i>Unrestricted</i> £'000	£'000	£'000
Balance at 1 August 2023	867	276,248	23,142	300,257
Surplus / (Deficit) from the income and expenditure statement	72	(8,008)	-	(7,936)
<i>Other comprehensive income</i>				-
Actuarial gain in respect of pension schemes	-	(13,728)	-	(13,728)
Transfers between revaluation and income and expenditure reserve	-	283	(283)	-
				-
Total comprehensive (expenditure) / income for the year	72	(21,453)	(283)	(21,664)
Balance at 1 August 2024	939	254,795	22,859	278,593
Surplus from the income and expenditure statement	19	1,384	-	1,403
<i>Other comprehensive income</i>				
Actuarial (loss) in respect of pension schemes	-	(11,339)	-	(11,339)
Transfers between revaluation and income and expenditure reserve	-	189	(189)	-
				-
Total comprehensive income / (expenditure) for the year	19	(9,766)	(189)	(9,936)
Balance at 31 July 2025	958	245,029	22,670	268,657
University				
Balance at 1 August 2023	867	229,193	23,142	253,202
Surplus / (Deficit) from the income and expenditure statement	72	(7,935)	-	(7,863)
<i>Other comprehensive income</i>				
Actuarial gain in respect of pension schemes	-	(8,559)	-	(8,559)
Transfers between revaluation and income and expenditure reserve	-	283	(283)	-
				-
Total comprehensive (expenditure) / income for the year	72	(16,211)	(283)	(16,422)
Balance at 1 August 2024	939	212,982	22,859	236,780
Surplus from the income and expenditure statement	19	5,085	-	5,104
<i>Other comprehensive income</i>				
Actuarial (loss) in respect of pension schemes	-	(9,594)	-	(9,594)
Transfers between revaluation and income and expenditure reserve	-	189	(189)	-
				-
Total comprehensive income / (expenditure) for the year	19	(4,320)	(189)	(4,490)
Balance at 31 July 2025	958	208,662	22,670	232,290

London South Bank University

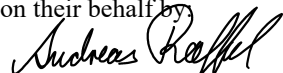
Company Registration No. 986761

Consolidated and University Balance sheets

As at 31 July 2025

	Note	Consolidated		University	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Non-current assets					
Intangible assets	14	18,742	18,846	18,733	18,833
Tangible fixed assets	15	372,007	379,311	262,297	267,094
Investments	16	38	38	38	38
Debtors	17	-	-	39,710	37,690
		<u>390,787</u>	<u>398,195</u>	<u>320,778</u>	<u>323,655</u>
Current assets					
Stock		5	5	5	5
Debtors	17	24,201	25,165	24,777	23,199
Investments	24	961	942	961	942
Cash and cash equivalents	24	2,828	1,476	1,705	1,226
		<u>27,995</u>	<u>27,588</u>	<u>27,448</u>	<u>25,372</u>
Creditors: amounts falling due within one year	18	<u>(65,311)</u>	<u>(70,760)</u>	<u>(66,175)</u>	<u>(68,966)</u>
Net current (liabilities) / assets		<u>(37,316)</u>	<u>(43,172)</u>	<u>(38,727)</u>	<u>(43,594)</u>
Total assets less current liabilities		353,471	355,023	282,051	280,061
Creditors: amounts falling due after more than one year	19	(77,264)	(79,555)	(43,786)	(46,316)
Provisions					
Pension (provisions) / assets	21	(7,550)	3,125	(5,975)	3,035
Total net assets		<u>268,657</u>	<u>278,593</u>	<u>232,290</u>	<u>236,780</u>
Restricted reserves - endowment reserves	22	958	939	958	939
Unrestricted Reserves					
Income and expenditure reserve		245,029	254,795	208,662	212,982
Revaluation reserve		22,670	22,859	22,670	22,859
Total Reserves		<u>268,657</u>	<u>278,593</u>	<u>232,290</u>	<u>236,780</u>

The financial statements were approved by the Board of Governors on 29 January 2026 and were signed and authorised on their behalf by



Dr Andreas Raffel (Chair)



Paul Kett (Vice Chancellor and Chief Executive)

Consolidated Statement of Cash Flows
Year ended 31 July 2025

	Note	2025 £'000	2024 £'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		1,403	(7,936)
Adjustment for non cash items			
Amortisation/depreciation	14-15	15,890	15,773
Decrease in debtors		964	15,644
(Decrease) in creditors		(5,374)	(10,276)
Pension costs less contributions payable		(588)	(1,766)
(Gains) on endowments		(19)	(72)
Adjustment for investment or financing activities			
(Gain)/loss on the sale of tangible assets		(9,220)	-
Investment income	6	(209)	(1,133)
Interest payable	13	2,619	3,010
Capital grant income		(2,681)	(3,011)
Cash flows from operating activities		2,785	10,233
Cash flows from investing activities			
Proceeds from Sale of Fixed Assets net of costs		9,390	-
Payment to acquire tangible fixed assets		(7,587)	(14,567)
Payment to acquire intangible fixed assets		(1,879)	-
Capital grant receipts		1,563	4,693
Investment income		209	1,133
		1,696	(8,741)
Cash flows from financing activities			
Capital element of bank loan repayments		(2,210)	(4,044)
Interest element of bank loan repayments	13	(2,619)	(3,010)
New secured loans		1,700	-
		(3,129)	(7,054)
Increase / (Decrease) in cash and cash equivalents during the year		1,352	(5,562)
Cash and cash equivalents at beginning of the year	24	1,476	7,038
Cash and cash equivalents at end of the year		2,828	1,476

Notes to the Accounts

Note 1: Principal Accounting Policies

The following principal accounting policies adopted, have been applied consistently in both the current and prior year in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

These consolidated and University accounts have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019; Companies Act including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 under the historical cost convention modified to include certain financial instruments at fair value and in accordance with Financial Reporting Standard FRS 102. 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 OfS, the Terms and conditions of funding for higher education institutions issued by the OfS and the Terms and conditions of Research England grants.

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

The Group and Parent University's activities, together with the factors likely to affect their future development, performance, and position, are set out in the Directors' and Strategic Report. The Directors' and Strategic Report also describes the financial position of the Group, its cash flows, liquidity position and borrowing.

Applied Exemptions

The exemption under FRS102 (section 1.12-b) and the FE/HE SORP (section 3.3) for preparing a cashflow statement for the University has been taken.

Principal Currency

The functional and presentational currency of the Group and University is Great British Pound sterling (GBP / £).

Rounding

In preparing the accounts all numbers, including totals, have been rounded independently to avoid unacceptable rounding errors. This may mean that some tables do not cross cast. Figures in the financial statements are rounded to the nearest £000.

Going Concern

The Group continues to adopt the going concern basis in preparing these financial statements. In coming to this conclusion, the Executive and Board have taken the following actions:

- Prepared detailed budgets for 2025-26, and challenging but deliverable plans for 2026-27 and 2027-28, on a financial statement basis, including forecast I&Es, cash flows, and balance sheets. These budgets and forecasts form part of the Annual Finance Return submitted to the Office for Students.
- Budgets and forecasts were scrutinised by Finance and Investment Committee and approved by the Board.
- Sensitivity analysis on the budget and forecasts was performed for changes in key underlying drivers, such as student numbers, staff cost growth, and unforeseen material expenditure.
- Liquidity requirements under the budgets and plans were reviewed, including reverse stress testing to determine the circumstance under which the Group runs out of liquid funds.
- Calculation of debt covenants based upon the forecasts, and stress testing to identify circumstances which, would cause the University to breach its covenants.
- Assessed severe but plausible downsides the University may face in the foreseeable future.

Based upon this, the Board is confident that the Group 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.

The Board is not aware of any material uncertainties which would prevent the Group from continuing as a going concern.

Basis of Consolidation

The financial statements incorporate the financial statements of London South Bank University and its subsidiary undertakings; South Bank University Enterprises Limited, South Bank Colleges and SW4 Catering Limited, a subsidiary of South Bank Colleges.

The University sponsors South Bank Academies. The funds of South Bank Academies are restricted to its own purpose and will not be available to the creditors of the Group. If South Bank Academies were to become insolvent, the Group would not receive its assets or reserves. The Group does not have the full power to govern the financial and operating policies of South Bank Academies, so as to obtain economic benefits. Therefore, it does not have control, and they are not consolidated into the Group accounts.

Consolidation of subsidiaries is based on the purchase method. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Income recognition

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

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

Government grants, including funding body and research grants from government sources to fund operating activity are recognised within the Statement of Comprehensive Income and Expenditure over the periods in which the University Group recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Other grants from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive Income and Expenditure when the University Group is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions is deferred on the Balance Sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Government capital grants are initially held as deferred income. They are then recognised in income over the expected useful economic life of the asset. Other capital grants are recognised in income when the University Group is entitled to funds subject to any performance related conditions being met.

Donations and endowments with donor-imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the University Group is entitled to the income. Income is retained within the restricted reserve until such a time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer. Investment income and appreciation of endowments is recorded in income in the year in which it arises and either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the University Group is entitled to the income.

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

Intangible assets

Software costing less than £10,000 per individual item or group of items is written off to the Statement of Comprehensive Income and Expenditure in the year of acquisition. All other software is capitalised as an intangible asset and amortised at 25% per annum, unless the specific asset is judged to have a longer useful life, then this is used. The main intangible asset continues to be the LEAP student relationship management system. This has an estimated 10-year useful life.

Tangible Fixed assets

Tangible Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that have been revalued to fair value on the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost.

Freehold land and buildings, long leasehold and short leasehold premises are included in the financial statements at cost together with subsequent refurbishment expenditure, less amounts written off by way of depreciation or impairment. Assets are capitalised when it is probable that costs will generate future economic benefits. Freehold land is not depreciated. Finance costs that are directly attributable to the construction of land and buildings are not capitalised.

Assets in the course of construction are accounted for at cost, less any identified impairment loss, based on the value of Quantity Surveyors' certificates and other direct costs incurred to the end of the year. They are not depreciated until ready/available for intended use.

Equipment costing less than £10,000 per individual item or group of items is written off to the Statement of Comprehensive Income and Expenditure in the year of acquisition. All other equipment is capitalised.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets to its estimated residual value. The rates of depreciation are as follows:

Freehold buildings	2% per annum
Long leaseholds	Period of lease
Short leaseholds	Period of lease
Building improvements	6.7% per annum
IT equipment	25% per annum
Other equipment and motor vehicles	20% per annum
Furniture	6.7% per annum

As LSBU is not a research-intensive University, all equipment purchased with research grants is assumed to have a life equal to the length of the research project and will be depreciated accordingly. Assets purchased using research funds, including computers and software, costing less than £10,000 per individual item or group of related items are written off in the year of acquisition in line with the University's normal accounting policy regarding depreciation of fixed assets. All other items are capitalised and depreciated over the remaining life of the research project.

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

At each financial year end the carrying amounts of tangible assets are reviewed to determine whether there is any indication that those assets may be impaired or that an impairment loss previously recognised has fully or partially reversed. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value and its value in use, is estimated in order to determine the extent of the impairment loss.

Investments

Investments in subsidiaries and associated undertakings are shown in the University Group's Balance Sheet at cost less any provision for impairment in their value.

Current Asset Investments and Endowment Asset Investments are included in the Balance Sheet at fair value.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Pension costs

The University Group contributes to the Teachers' Pensions Scheme (England and Wales) (TPS), the London Pension Fund Authority Pension Fund (LPFA) and the Universities Superannuation Scheme (USS). These schemes are administered by Teachers' Pensions (on behalf of the Department for Education), the London Pension Fund Authority and USS Ltd respectively and are all of the defined benefit type. Each fund is valued periodically by professionally qualified independent actuaries with TPS updated in 2024 based on a 31st March 2020 date, LPFA in 2022 on the same effective date and USS in 2023 based on March 2023 data.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme, but insufficient information is available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The USS is a hybrid scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of USS are held in separate trustee administered funds. USS is a multi-employer scheme. Due to the mutual nature of the scheme, the assets are not attributed 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. As required by Section 28 of FRS 102 'Employee benefits' and 'Retirement Benefit Schemes' in paragraph 21.24 of the FE/HE SORP, the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme. In prior years the University had entered into an agreement (the Recovery Plan) that determined how each employer within the scheme would fund any overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit), and the resulting expense is recognised as expenditure. The scheme is no longer in deficit, so this arrangement is not currently in place.

Where the LSBU Group is unable to identify its share of the underlying assets and liabilities in a scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme, so that the cost is equal to the total of contributions payable in the year. The TPS and USS are multi-employer schemes for which is not possible to identify the University Group's share of assets and are therefore reported as if they were defined contribution schemes, so that the cost is equal to the total of contributions payable in the year. Contractual obligations relating to these schemes including any agreements to pay additional contributions to fund a deficit are calculated at net present value and are included in provisions.

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

The University Group has defined contribution pension schemes for employees of subsidiary companies SBUEL, and SW4 Catering Ltd and for most professional service staff who commenced employment after April 2021. The University Group pays contributions into a separate legal entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University Group. Any unused benefits are accrued and measured as the additional amount the University Group expects to pay as a result of unused entitlement. LSBU is committed to avoiding making staff redundant wherever possible. The University has a redundancy policy that is amended from time to time. The aim of the policy is to avoid redundancy through the early identification of problems.

Taxation status

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 Section 467 of the Corporation Tax Act (CTA) 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 478 –488 of the CTA 2010 and Section 256C of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

The University's subsidiary company, SBUEL is subject to corporation tax and is therefore required to account for deferred tax and current tax.

South Bank Colleges is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, South Bank Colleges is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 Corporation Tax 2010 or Section 256 of the Taxation of Chargeable Gains Acts 1992, to the extent that such income or gains are applied exclusively to charitable purposes. It is partially exempt in respect of Value Added Tax, so it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Agency arrangements

Funds the institution receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the institution where the institution does not have control of the economic benefit related to the transaction.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term. Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of the fair value and the present value of the minimum lease payments at inception of the lease.

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

Refurbishments

Refurbishment expenditure on a property is deemed to be of a capital nature if it either enhances the property's operational capabilities, or if it significantly upgrades the mechanical or electrical infrastructure of that property. To the extent that the expenditure is of a capital nature, it is capitalised and written off over its useful economic life. Refurbishment expenditure that does not meet either of these criteria is treated as maintenance expenditure.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund in perpetuity. Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Where fixed assets were revalued prior to the implementation of FRS 102, the gain or loss on revaluation was credited or debited to the revaluation reserve. Where depreciation on the revalued amount exceeds the corresponding depreciation based on historical cost, the excess is transferred annually from the capital reserve to the income and expenditure reserve.

The pension reserve represents the pension liability in respect of the defined benefit pension schemes (see note 29).

Cash flows and cash equivalents

Cash flows comprise increases or decreases in cash. Cash and cash equivalents include cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within twenty-four hours without penalty.

Liquid resources comprise assets which in normal practice are generally convertible to cash and cash equivalents. They include term deposits held as part of the Group's treasury management activities. They exclude any such assets held as endowment asset investments.

Financial instruments

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from banks.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and account receivables and payables, are initially measured at the transaction price (adjusted for transaction cost) and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. The Group does not offer extended credit terms. Subsequent measurement is at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If such evidence is identified, an impairment loss is recognised in the statement of comprehensive income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between carrying amount and the present value of estimated cash flows discounted at the original effective interest rate. If the financial instrument has a variable interest rate the currently effective rate under the contract is used.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. At present, the Group has not offset any items.

A financial asset is derecognised only when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- substantially all of the risks and rewards of ownership of the financial asset have been transferred to another party; or
- when despite having retained some, but not substantially all, risks and rewards of ownership, control of the asset has been transferred to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Group derecognises the asset and recognises separately any rights and obligations retained or created in the transfer.

A financial liability is derecognised when the contract that gives rise to it is settled, sold, cancelled, or expires.

Derivatives, a non-basic financial instrument, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss within the line item the derivative relates to. Currently the Group has no forward exchange contracts to cover the fluctuation in exchange rates. The Group does not currently apply hedge accounting.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year-end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Material Judgements

Accounting policies are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, gains, and losses included in the financial statements. Judgements and estimates are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable in the circumstances.

The present value of the London Pension Fund Authority (LPFA) pension fund and defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate, salary, pension and price increases. Any changes in these assumptions (which are disclosed in note 29) will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Group considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset, or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

Material Estimates

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current knowledge of collections. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

A determination has been made as to whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Provisions, contingent liabilities

Provisions are recognised in the financial statements when the University Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

London South Bank University

Notes to the accounts Year ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
7. Donations and endowments				
Unrestricted donations	420	392	3,347	1,340

Donations include the estimated market value of SBC's rent free occupations of its Lambeth College premises in Brixton, and a gift aid payment of £3.3m made to LSBU relating to taxable profits in SBUEL for the year ended 31st July 2024, paid a year in arrears.

8. Grant and Fee income

The source of grant and fee income, included in notes 2 to 4 is as follows:

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Grant income from the OfS	12,823	12,825	12,823	12,825
Grant income from other bodies	33,642	35,279	4,860	7,096
Fee income for research awards (exclusive of VAT)	160	62	160	62
Fee income from non-qualifying courses (exclusive of VAT)	6,379	4,198	2,317	619
Fee income for taught awards (exclusive of VAT)	124,353	131,823	124,353	131,823
	177,357	184,187	144,513	152,425

9. Staff

Average numbers by major category:

	Consolidated	
	2025	2024
	No.	No.
Academic staff	706	805
Student support staff	382	355
Other support staff	534	599
	1,622	1,759

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Costs				
Wages and salaries	84,564	92,089	67,682	74,533
Social security costs	9,554	9,283	8,037	7,928
Other pension costs	16,428	16,116	14,001	13,998
	110,546	117,488	89,720	96,459

Staff costs for the year include costs arising from redundancies of £2.0m for 148 staff (2024 £4.5m for 245 staff). Social Security costs and pensions costs both increased over the year due to increases in employer NI and TPS pension contributions.

Notes to the accounts
Year ended 31 July 2025

10. Remuneration of Board of Governors and higher paid employees

A. Governors

The University's governors do not receive remuneration from the University in their capacity as governors. The salaries and pension contributions below therefore relate entirely to staff governors and to sums received by them in their capacity as employees of the University. Three of these employees accrued benefits under defined benefit pension schemes during the year (2024: Two).

	2025	2024
	£'000	£'000
Salaries	357	355
Pension contributions or payments in lieu of pension contributions	44	42
	401	397

Governors are paid expenses for attending meetings and other matters directly related to their duties as trustees. In 2025 4 governors were paid expenses totalling £1k (2024: 3 governors were paid £1k) for travel and subsistence.

B. Determining pay of senior staff

Pay of senior executives, including the Vice Chancellor, is determined by a Remuneration Committee composed of Independent governors, and chaired by an experienced Independent governor. The Vice Chancellor is not a member of the Remuneration Committee.

The Committee, in making its determination, considers remuneration levels in a number of comparable institutions, but also more widely in the Sector; it seeks to ensure, based on good performance, that remuneration in LSBU is competitive and comparable to those comparator Institutions. The Committee also considers as a key input the level of pay increase that has been made to staff generally. The Committee further considers a report on the performance of senior executives against individual measurable objectives.

Further information is provided in the Annual Remuneration Report.

C. Emoluments of the Vice Chancellor

	VC	Co-VC	Co-VC	2025	2024
				£'000	£'000
Salary	249	5	4	258	262
Accommodation allowance	9	-	-	9	10
Performance related pay	-	-	-	0	10
Taxable benefits (Medical insurance)	2	-	-	2	2
Pension contributions	-	1	1	2	-
Payments in lieu of pension contributions	36	-	-	36	38
	296	6	5	307	322

The Vice Chancellor (VC) is the highest paid Governor.

The role of VC was covered from 1st June 2025 - 8th September 2025 with two interim co-Vice Chancellors.

The Vice Chancellor's basic salary is 6.23 (2024: 6.46) times the median pay of staff across the organisation, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice Chancellor's total remuneration is 6.27 (2024: 6.53) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice Chancellor did not participate in a University pension scheme and there were no accrued benefits under a defined benefit scheme at the year end (2024: also nil).

Notes to the accounts
Year ended 31 July 2025

D. Remuneration of other higher paid staff

Certain employees, including the Vice Chancellor, received basic salary (excluding bonus, benefits and pension contributions) in excess of £100,000 during the year. These employees are grouped as follows:

	Consolidated	
	2025	2024
	No.	No.
£100,000 to £104,999	3	5
£105,000 to £109,999	5	2
£110,000 to £114,999	3	1
£115,000 to £119,999	3	3
£120,000 to £124,999	-	2
£125,000 to £129,999	3	2
£135,000 to £139,999	2	-
£140,000 to £144,999	-	1
£145,000 to £149,999	-	1
£155,000 to £159,999	-	1
£165,000 to £169,999	1	-
£170,000 to £174,999	1	1
£185,000 to £189,999	1	-
£245,000 to £249,999	1	-
£260,000 to £264,999	-	1
	23	20

E. Key management personnel

Key Management personnel include members of the Group Executive, being those persons having authority and responsibility for planning, directing and controlling the activities of the University. This includes compensation (including salary and benefits in kind but excludes employers pension contributions). Members of the University Executive are listed on page 4 of these Financial Statements.

	2025	2024
	£'000	£'000
Key management personnel	1,059	1,375

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
11a. Other operating expenses				
Academic	17,212	19,136	13,272	14,996
Academic support	11,515	10,319	11,515	10,319
Other support	11,852	7,560	11,852	7,559
Premises	20,582	19,947	17,306	17,492
Residence and catering	6,436	7,157	6,436	7,157
Research grants and contracts	1,291	1,186	1,291	1,022
Other expenses	5,953	13,967	1,737	10,611
	74,841	79,272	63,409	69,156

Notes to the accounts
Year ended 31 July 2025

11a. Other operating expenses continued

Other operating expenses are stated after charging:

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Auditor's remuneration				
RSM - Audit services				
<i>Statutory audit of parent and consolidated accounts</i>	104	98	104	98
<i>Statutory audit of associates of the Company</i>	72	71	72	-
RSM - Other (tax assurance)	7	6	7	6
Rentals under operating leases: Plant and machinery*	1,952	1,952	1,952	1,952

Auditor's remuneration is disclosed net of VAT

* 2023-24 Restated in line with note 27.

11b. Access and Participation ⁽ⁱ⁾

	University	
	2025	2024
	£'000	£'000
Access Investment	1,426	1,234
Financial Support	637	612
Research and Evaluation	232	372
	2,295	2,218

(i) £1,103k (2024: £1,111k) of these costs are already included in the overall staff costs figures included in the financial statements, see note 9.

Included in the above figures are £317k (2024: 332k) relating to Disability Support.

The Access and Participation plan for the 2020-2025 academic year, approved by the OfS can be found here.

12. Taxation

A deferred tax liability (DTL) has not been recognised in respect of timing differences relating to accelerated capital allowances. As the DTL unwinds, any tax payable would likely be covered by any gift aid payment.

The amount of the liability not recognised is £21k (2024: £32k liability).

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
13. Interest and other finance costs				
Bank loans and overdrafts	2,619	3,010	2,619	3,010
	2,619	3,010	2,619	3,010

Notes to the accounts
Year ended 31 July 2025

14. Intangible assets - Consolidated

Software	Assets in course of		
Cost	Software	construction	Total
	£'000	£'000	£'000
At 1 August 2024	23,955	1,514	25,469
Additions	-	1,879	1,879
At 31 July 2025	<u>23,955</u>	<u>3,393</u>	<u>27,348</u>
Amortisation charge			
At 1 August 2024	(6,623)	-	(6,623)
Charge for the year	(1,983)	-	(1,983)
At 31 July 2025	<u>(8,606)</u>	<u>-</u>	<u>(8,606)</u>
Net book value			
At 31 July 2025	<u>15,349</u>	<u>3,393</u>	<u>18,742</u>
At 31 July 2024	<u>17,332</u>	<u>1,514</u>	<u>18,846</u>

Intangible assets - University

Software	Assets in course of		
Cost	Software	construction	Total
	£'000	£'000	£'000
At 1 August 2024	23,937	1,514	25,451
Additions	-	1,879	1,879
At 31 July 2025	<u>23,937</u>	<u>3,393</u>	<u>27,330</u>
Amortisation charge			
At 1 August 2024	(6,618)	-	(6,618)
Charge for the year	(1,979)	-	(1,979)
At 31 July 2025	<u>(8,597)</u>	<u>-</u>	<u>(8,597)</u>
Net book value			
At 31 July 2025	<u>15,340</u>	<u>3,393</u>	<u>18,733</u>
At 31 July 2024	<u>17,319</u>	<u>1,514</u>	<u>18,833</u>

Notes to the accounts
Year ended 31 July 2025

15. Tangible fixed assets (Consolidated)

	Freehold land	Freehold buildings	Long leasehold land and buildings	Short leasehold land and buildings	Fixtures, fittings and equipment	Assets in course of construction	Fixed assets total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 August 2024	88,965	317,287	49,668	44	88,312	26,680	570,956
Additions	-	-	-	-	117	6,646	6,763
Disposal	-	-	(1,209)	-	(53)	(82)	(1,344)
Transfer	-	1,972	-	-	1,826	(3,798)	-
At 31 July 2025	88,965	319,259	48,459	44	90,202	29,446	576,375
Depreciation							
At 1 August 2024	-	(93,798)	(38,073)	(37)	(59,737)	-	(191,645)
Charge for the year	-	(7,146)	(1,215)	-	(5,546)	-	(13,907)
Disposals	-	-	1,163	-	21	-	1,184
At 31 July 2025	-	(100,944)	(38,125)	(37)	(65,262)	-	(204,368)
Net book value							
At 31 July 2025	88,965	218,315	10,334	7	24,940	29,446	372,007
At 31 July 2024	88,965	223,489	11,595	7	28,575	26,680	379,311

Tangible fixed assets (University)

	Freehold land	Freehold buildings	Long leasehold land and buildings	Short leasehold land and buildings	Fixtures, fittings and equipment	Assets in course of construction	Fixed assets total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 August 2024	64,368	236,373	47,210	44	80,978	20,945	449,918
Additions	-	-	-	-	18	5,967	5,985
Disposals	-	-	(1,209)	-	(53)	(82)	(1,344)
At 31 July 2025	64,368	236,373	46,001	44	80,943	26,830	454,559
Depreciation							
At 1 August 2024	-	(87,957)	(37,799)	(37)	(57,031)	-	(182,824)
Charge for the year	-	(5,478)	(1,165)	-	(3,979)	-	(10,622)
Disposals	-	-	1,163	-	21	-	1,184
At 31 July 2025	-	(93,435)	(37,801)	(37)	(60,989)	-	(192,262)
Net book value							
At 31 July 2025	64,368	142,938	8,200	7	19,954	26,830	262,297
At 31 July 2024	64,368	148,416	9,411	7	23,947	20,945	267,094

Notes to the accounts
Year ended 31 July 2025

16. Investments

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
CVCP Properties plc	38	38	38	38

The University holds 0.8% of the £1 ordinary shares of CVCP Properties plc. The principal activity of the company is leasing of buildings, with the majority of tenants being Higher Education organisations.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Share class	Holding
South Bank University Enterprises Limited *	103 Borough Road, London, SE1 0AA, UK	Consultancy, research and property letting	Ordinary	100% Direct
South Bank Colleges Ltd **	103 Borough Road, London, SE1 0AA, UK	Provision of further education	Ordinary	100% Direct
SW4 Catering Ltd (dormant at year end)	103 Borough Road, London, SE1 0AA, UK	Combined facilities support activities	Ordinary	100% Indirect via SBC

All the above subsidiaries are included in the consolidation and have a 31st July year end.

*Five of these shares have been held since 5 February 1988 with a further five issued on 19 July 2012 and five on 28 April 2021.

**The University is the sole member of South Bank Colleges, a private company limited by guarantee and incorporated on 1st August 2018. South Bank Colleges has two subsidiaries, SW4 Catering Ltd (dormant as above) and South Bank Skills Ltd (a dormant company incorporated on 23rd March 2021).

17. Debtors

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Debtors: amounts falling due within one year				
Trade debtors	10,017	14,450	8,411	13,745
Amounts owed by subsidiary undertakings	-	-	2,774	-
Other debtors	201	184	194	181
Prepayments and accrued income	13,983	10,531	13,398	9,273
Total debtors due within one year	24,201	25,165	24,777	23,199
Debtors: amounts falling due after one year				
Amounts owed by subsidiary undertakings	-	-	39,710	37,690

18. Creditors: amounts falling due within one year

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 20)	19,277	17,508	19,277	17,508
Trade creditors	5,582	1,020	4,252	209
Amounts owed to subsidiary undertakings	-	-	4,960	3,942
Other creditors	3,190	4,910	2,938	4,377
Other taxation and social security	2,367	2,461	1,892	2,090
Accruals and deferred income	34,895	44,861	32,856	40,840
	65,311	70,760	66,175	68,966

Notes to the accounts
Year ended 31 July 2025

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

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 20)	21,550	23,829	21,550	23,829
Deferred income	55,714	55,726	22,236	22,487
	77,264	79,555	43,786	46,316

Included within short term and long term deferred income are items of grant income which have been deferred until specific performance related conditions have been met.

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Government	1,025	1,543	1,025	1,543
Non-government	637	128	637	128
Capital grants	56,362	56,374	22,884	23,135
	58,024	58,045	24,546	24,806

20. Borrowings

Bank loans are repayable as follows:

	Consolidated and University	
	2025	2024
	£'000	£'000
Due in less than one year (note 18)	19,277	17,508
Due between one and two years	2,444	2,278
Due between two and five years	6,400	6,626
Due after five years	12,706	14,925
Total due after one year (note 19)	21,550	23,829
Total	40,827	41,337

Details of bank loans

Lender	Term	Interest rate	Security	2025	2024
				£'000	£'000
Barclays Bank	Capital and interest quarterly. 25 years to 2032	5.67% fixed	McLaren House	2,021	2,332
Barclays Bank	Interest quarterly. 20 years to April 2029	5.25% fixed		5,000	5,000
Barclays Bank	Capital and interest quarterly. 23.25 years to 2032	5.44% fixed		4,154	4,677
Barclays Bank	Capital and interest quarterly. 23 years to 2032	0.225% margin over SONIA		2,004	2,301
Barclays Bank	Capital and interest monthly. 16 years to 2035	5.16-5.2% fixed plus 1.65% margin		9,799	10,501
Barclays Bank	Revolving credit facility maturing September 2030	1.45% margin over SONIA		17,000	15,300
Allied Irish Bank	Capital and interest quarterly. 26.5 years to 2027	6.67% fixed	Dante Road Halls	849	1,226
				40,827	41,337

Notes to the accounts
Year ended 31 July 2025

21. Provisions for liabilities: Consolidated

	LPFA defined benefit obligation £'000	Enhanced pension £'000	Total £'000
Provision / (Asset) at 1 August 2024	(4,419)	1,294	(3,125)
Utilised during the year	(4,046)	(48)	(4,094)
Charged to comprehensive income and expenditure	14,783	(14)	14,769
Provision at 31 July 2025	6,318	1,232	7,550

The enhanced pension provision relates to the cost of staff who retired from Lambeth College Corporation with enhanced pension provisions between 1995/96 and 2006/7. The value of the provision is calculated in accordance with guidelines issued by the Association of Colleges.

University

	LPFA defined benefit obligation £'000	Total £'000
Asset at 1 August 2024	(3,035)	(3,035)
Utilised during the year	(3,658)	(3,658)
Charged to comprehensive income and expenditure	12,668	12,668
Provision at 31 July 2025	5,975	5,975

22. Endowment reserves

	Restricted Permanent £'000	Restricted Expendable £'000	Consolidated and University	
			2025 Total £'000	2024 Total £'000
Balance at 1 August	789	150	939	867
Increase in market value of investments	16	3	19	72
Balance at 31 July	805	153	958	939

All endowment reserves represent current asset investments, and form the "LSBU consolidated charitable fund for the welfare of students", the purpose of which is to support students in financial difficulty,

23. Unrestricted reserves

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Revaluation reserve				
Balance at 1 August	22,859	23,142	22,859	23,142
Transfer to income and expenditure reserves being excess depreciation on revalued assets	(189)	(283)	(189)	(283)
Balance at 31 July	22,670	22,859	22,670	22,859

Notes to the accounts
Year ended 31 July 2025

26. Contingent liabilities

The University's subsidiary, South Bank Colleges has received a pre-action claim from a developer seeking compensation for costs relating to the Lambeth and Vauxhall development project. At the reporting date, the Governing Body believes it is not practicable to provide an estimate of any potential financial effect due to the uncertainties surrounding the basis, quantification and timing of the claim. Legal advice has been sought on this matter. To the best of the governing body's knowledge, no reimbursement is expected in respect of this matter.

27. Lease obligations

At 31 July 2025 the University and the Group were committed to making the following future minimum lease payments in respect of non-cancellable operating leases on IT equipment and land and buildings:

	Consolidated and University	
	2025	2024 *
	£'000	£'000
Future minimum lease payments due:		
Not later than 1 year	1,952	1,952
Later than 1 year and not later than 5 years	7,612	7,661
Later than 5 years	10,844	12,721
Total lease payments due	20,408	22,334

* Restated to correct allocation over periods

28. Amounts disbursed as agents

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Teacher training bursaries				
Balance at 1 August	48	57	48	57
Funding council grant	(155)	(9)	(155)	(9)
Disbursed to students	155	-	155	-
Balance at 31 July	48	48	48	48

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Apprenticeship employer incentive payments				
Balance at 1 August	154	160	154	160
Funds received	196	-	196	-
Disbursed to employers	(311)	(6)	(311)	(6)
Balance at 31 July	39	154	39	154

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Learner support funds				
Balance at 1 August	231	393	-	-
Bursaries	1,035	935	-	-
Disbursed to students	(1,368)	(1,042)	-	-
Administration costs	(15)	(55)	-	-
Balance at 31 July	(117)	231	-	-

Notes to the accounts
Year ended 31 July 2025

29. Pension arrangements

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

- Teachers' Pension Scheme (TPS)
- Universities Superannuation Scheme Limited (USS)
- London Pension Fund Authority (LPFA) Pension Fund
- London South Bank University Defined Contribution Scheme, administered by Aviva.
- NOW Pensions

The TPS, USS and LPFA are multi employer defined benefit plans and these pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2020, the LPFA 31 March 2022 and the USS at 31 March 2023.

The University is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

Total pension cost for the year

Consolidated	2025	2024
	£'000	£'000
Teachers Pension Scheme	9,389	9,282
USS		
Contributions paid	516	566
Unwinding of pension provision	<u>-</u>	<u>(668)</u>
Charge to the Statement of Comprehensive Income	516	(102)
LPFA		
Contributions paid	(4,046)	(4,254)
FRS 102 (28) charge	<u>8,062</u>	<u>9,092</u>
Charge to the Statement of Comprehensive Income	4,016	4,838
Defined Contribution Schemes	2,507	2,098
Charge to the Statement of Comprehensive Income	<u>16,428</u>	<u>16,116</u>
University	2025	2024
	£'000	£'000
Teachers Pension Scheme: contributions paid	7,680	7,946
USS		
Contributions paid	516	566
Unwinding of pension provision	<u>-</u>	<u>(668)</u>
Charge to the Statement of Comprehensive Income	516	(102)
LPFA		
Contributions paid	(3,658)	(3,755)
FRS 102 (28) charge	<u>7,300</u>	<u>8,010</u>
Charge to the Statement of Comprehensive Income	3,642	4,255
Defined Contribution Schemes	2,163	1,899
Charge to the Statement of Comprehensive Income	<u>14,001</u>	<u>13,998</u>

Notes to the accounts

Year ended 31 July 2025

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. These regulations apply to teachers in schools and other educational establishments in England and Wales including teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or change of contract. Teachers and lecturers are able to opt out of the TPS. It is an unfunded scheme that operates on a pay as you go basis.

Retirement and other pension benefits are provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Teachers' contributions are credited to the Exchequer under arrangements governed by the above act. The Teachers' Pension Regulations require that an annual account, the Teachers' Budgeting and Valuation Account, be kept of receipts and expenditure, including the cost of pension increases.

From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of The Teachers' Pension Scheme:

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are: - Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion - Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion - Notional past service deficit of £39.8 billion (2016 £22 billion) - Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance)).

As a result of the valuation, new employer contribution rates have been set at 28.68% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation, both including a 0.08% administration levy).

At 31 July 2025 the University Group had 775 active members participating in the scheme. During the year contributions were paid by the Group and charged to the Income and Expenditure account at a current rate of 28.68% (from April 2024: 28.68%, up from 23.68% to end March 2024) of salaries and the Group's contribution to the TPS for the year was £9,504,366 (2024: £9,162,588). Employees paid tiered contribution rates which ranged from 7.4% - 11.7%, depending on earnings.

TPS is a multi- employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Notes to the accounts
Year ended 31 July 2025

B. The Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS). 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.

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 20, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

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

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

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (<https://www.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 curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

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

Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality:	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

Notes to the accounts
Year ended 31 July 2025

The current life expectancies on retirement at age 65 are:

	Males		Females	
	Years		Years	
	2025	2024	2025	2024
Current pensioners (currently 65 years)	23.8	23.7	25.5	25.6
Future pensioners (currently 45 years)	25.7	25.4	27.2	27.2

At 31 July 2025 the Group had 47 (2024: 46) active members participating in the scheme. The total credited to the Statement of Comprehensive Income and Expenditure is £515,604 (2024: £566,315). The employer contribution rate was 21.1% from October 2019 until 30th September 2021, 21.4% from October 2021 to March 2022, 21.6% from April 2022 to February 2024 and 14.5% from March 2024.

C. The London Pension Fund

The London Pension Fund Authority (LPFA) provides members with benefits related to pay and service at rates which are defined under the Local Government Pensions Scheme Regulations 2013. To finance these benefits, assets are accumulated in the Fund and held separately from the assets of the University.

A full triennial valuation was carried out by the scheme’s actuary Barnett Waddingham as at 31 March 2022 with the valuation results taking into account changes to the scheme from 1 April 2022. Employer contribution rates during the year were 15.5% for London South Bank University and 14.3% for South Bank Colleges.

Pension cost under FRS 102

For accounting purposes, the scheme’s assets are measured at market value and liabilities are valued using the projected unit credit method and discounted using the annualised yield on the Merrill Lynch AA rate over 15-year corporate bond index. The valuation uses market-based assumptions and asset valuations, and represents a current valuation. It does not impact on the contribution rates set by the trustees of the scheme. The principal assumptions used by the actuary were:

	Consolidated and University	
	31-Jul-25	31-Jul-24
	% per annum	% per annum
Salary increase	2.95%	3.05%
Pension and price increases	2.80%	2.90%
Discount rate	5.75%	5.05%

Employees retiring on or after 6 April 2006 are permitted to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension.

On the advice of our actuaries we have made the following assumptions:

- Members will exchange half of their commutable pension for cash at retirement
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age
- No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits

Notes to the accounts

Year ended 31 July 2025

In calculating the scheme assets and liabilities, the fund's actuaries had to make a number of assumptions about events and circumstances in the future. These assumptions represent the best estimate of expected outcomes but it is possible that actual outcomes will differ from those included in the accounts. Any differences between expected and actual outcomes are reported through experience gains and losses.

Following a pension assumption review process we believe that the default assumptions used by the scheme actuaries are appropriate for the LSBU group.

Life expectancy

The scheme actuaries have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, as at 31 March 2022, except for the CMI projection model. The post retirement mortality tables have been based on Club Vita analysis. These base tables are then projected using the CMI_2020 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0, an initial addition parameter of 0% p.a. and a 2022 weighting of 25%.

Life expectancy from age 65

	LSBU 31-Jul-25	SBC 31-Jul-25	LSBU 31-Jul-24	SBC 31-Jul-24
Retiring today:				
Males	21.1	20.9	20.8	20.6
Females	23.7	23.8	23.6	23.6
Retiring in 20 years:				
Males	22.0	22.0	21.7	21.6
Females	25.1	24.7	25.0	24.6

Fund assets

The return on the fund, on a bid value to bid value basis, for the year to 31 July 2025 was 8.70 %. The estimated asset allocation is as follows:

	Consolidated		University	
	Fair value as at 31-Jul-25 £'000	Fair value as at 31-Jul-24 £'000	Fair value as at 31-Jul-25 £'000	Fair value as at 31-Jul-24 £'000
Equities	166,889	166,353	132,530	131,800
Target return portfolio	54,421	44,788	43,217	35,754
Infrastructure	33,157	29,660	26,331	23,477
Property	25,872	24,669	20,545	19,559
Cash	11,593	9,080	9,206	7,042
Total fair value of assets	291,932	274,550	231,829	217,632

Notes to the accounts
Year ended 31 July 2025

Net pension position

The following amounts at 31 July 2025 related to the Group are measured in accordance with the requirements of FRS 102:

Consolidated	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Fair value of Employer Assets	291,932	274,550	261,988	255,029	239,469
Present value of funded obligations	<u>(227,389)</u>	<u>(247,486)</u>	<u>(235,363)</u>	<u>(305,196)</u>	<u>(414,274)</u>
Net surplus / (underfunding) in funded plans	64,543	27,064	26,625	(50,167)	(174,805)
Present value of unfunded obligations	<u>(6,318)</u>	<u>(6,652)</u>	<u>(7,131)</u>	<u>(8,680)</u>	<u>(9,936)</u>
Net Pension Surplus / (liability)	58,225	20,412	19,494	(58,847)	(184,741)
Restriction to level of asset ceiling	<u>(64,543)</u>	<u>(15,993)</u>	<u>(2,510)</u>	-	-
Net (Liability) / Asset recognised in the balance sheet	<u>(6,318)</u>	<u>4,419</u>	<u>16,984</u>	<u>(58,847)</u>	<u>(184,741)</u>

The value of the Group's share of net assets has been restricted due to the effect of the asset ceiling being the maximum present value of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

University	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Fair value of Employer Assets	231,829	217,632	208,354	201,729	189,152
Present value of funded obligations	<u>(183,253)</u>	<u>(200,251)</u>	<u>(190,815)</u>	<u>(247,733)</u>	<u>(338,572)</u>
Net surplus / (underfunding) in funded plans	48,576	17,381	17,539	(46,004)	(149,420)
Present value of unfunded obligations	<u>(5,975)</u>	<u>(6,294)</u>	<u>(6,757)</u>	<u>(8,308)</u>	<u>(9,502)</u>
Net Pension Surplus / (Liability)	42,601	11,087	10,782	(54,312)	(158,922)
Restriction to level of asset ceiling	<u>(48,576)</u>	<u>(8,052)</u>	-	-	-
Net (Liability) / Asset recognised in the balance sheet	<u>(5,975)</u>	<u>3,035</u>	<u>10,782</u>	<u>(54,312)</u>	<u>(158,922)</u>

The movement for the year in the net pension position is shown in note 20.

Analysis of the amount included in staff costs for the year

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Service cost	3,739	4,087	3,229	3,504
Enhancements to former employees	277	751	413	751
Total operating charge	<u>4,016</u>	<u>4,838</u>	<u>3,642</u>	<u>4,255</u>

Analysis of the amount included in interest for the year

	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Interest on the defined (asset)	(301)	(948)	(222)	(620)
Administration expenses	82	79	65	63
Total interest (receivable)	<u>(219)</u>	<u>(869)</u>	<u>(157)</u>	<u>(557)</u>

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Analysis of the amount recognised in Other Comprehensive Income	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Return on fund assets less interest	9,676	3,823	7,872	2,850
Other actuarial losses on assets	-	-	-	-
Change in financial assumptions	30,799	(5,915)	25,949	(4,885)
Change in demographic assumptions	(1,541)	585	(1,297)	486
Experience gains and losses on defined benefit obligation	(2,455)	1,260	(2,003)	1,046
Change in effect of asset ceiling	(47,742)	(13,354)	(40,117)	(8,052)
Remeasurement of the (defined liability) / net assets	<u>(11,263)</u>	<u>(13,601)</u>	<u>(9,596)</u>	<u>(8,555)</u>

Analysis of movement in the present value of scheme liabilities	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 August	254,138	242,494	206,545	197,572
Movement in the year:				
Current service cost	2,985	3,194	2,475	2,655
Interest cost	12,607	12,299	10,249	10,005
Changes in financial assumptions	(30,799)	5,915	(25,949)	4,885
Change in demographic assumptions	1,541	(585)	1,297	(486)
Experience loss / (gain) in defined benefit obligation	2,455	(1,260)	2,003	(1,046)
Past service costs, including curtailments	754	893	754	849
Estimated benefits paid net of transfers in	(10,476)	(9,474)	(8,502)	(8,386)
Contributions by scheme participants	1,254	1,414	1,075	1,216
Unfunded pension payments	(752)	(752)	(719)	(719)
At 31 July	<u>233,707</u>	<u>254,138</u>	<u>189,228</u>	<u>206,545</u>

Analysis of movement in the fair value of scheme assets	Consolidated		University	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 August	274,550	261,988	217,632	208,354
Interest on assets	13,716	13,376	10,878	10,625
Return on assets less interest	9,676	3,823	7,872	2,850
Administration expenses	(82)	(79)	(65)	(63)
Contributions by employer including unfunded	4,046	4,254	3,658	3,755
Contributions by Scheme participants and other employers	1,254	1,414	1,075	1,216
Estimated benefits paid plus unfunded net of transfers in	(11,228)	(10,226)	(9,221)	(9,105)
At 31 July	<u>291,932</u>	<u>274,550</u>	<u>231,829</u>	<u>217,632</u>

The projected pension expense for the year to 31 July 2026 is £2,606k (consolidated) £2,168k (University).

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Year ended 31 July 2025

D. London South Bank University Defined Contribution Scheme

The University provides a defined contribution pension scheme through Aviva for employees of London South Bank University Enterprises Limited (SBUEL), SW4 Catering Limited and from April 2021 new professional services staff. At 31 July 2025 the University Group had 502 members participating in the scheme (2024: 527). The University Groups contribution to the Aviva scheme for the year ending 31 July 2025 was £2,520,360 (2024: £2,118,823) and employer's contribution rates during the year ranged from 8%-10%. Pension contributions payable at 31 July 2025 were £217,540(2024: £190,474).

E. NOW Pensions

The University provides a defined contribution scheme through NOW for employees of SBUEL staff engaged through LSBU Employment. At 31 July 2025 there were 76 staff in the scheme (2024: 341). Employer contribution to the NOW scheme for the year ending 31 July 2025 was £11,491 (2024: £12,187) and employer contributions were 3%. Pension contributions payable at 31 July 2025 were £829 (2024: £2,511).

30. Related party transactions

Group

The accounts of SBUEL, a wholly owned subsidiary, are consolidated into these financial statements. During the year the university paid for expenses and equipment for SBUEL and used SBUEL employment agency staff totalling £1,021k (2024: £(403)k), and collected rental income of £39k (2024: £43k). At the year-end the University owed SBUEL £2,960k (2024: £3,942k).

The University is the sole Member of South Bank Colleges (SBC), a Private Limited Company by guarantee, which was incorporated on 1st August 2018. SBC and its wholly owned subsidiary, SW4 Catering Limited, are consolidated into these financial statements. On 1st February 2019 SBC received £13.7m from the Education and Skills Funding Agency (ESFA) which was transferred to the University on 2nd February 2019 to hold on its behalf and to transfer back to SBC as it is needed to fund operational and capital expenditure requirements. During the year the University transferred £1m (2024: £1m) to SBC. Services on commercial terms amounting to £3k (2024 £137k) were charged to SBC during the year and the balance between SBC and the University at the year-end was £42,484k (2024: £37,676k).

Other related parties

Organisation	Governor	Position	Transactions during year with related party			
			Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000
LSBU Student Union	Abdirahim Ibrahim	Union Council Chair				
	Devonte James	President	-	960	-	-
South Bank Academies	David Phoenix	Trustee	-	-	-	-

31. Post balance sheet events

SBC is in the process of seeking a disposal of vacant land at Nine Elms Vauxhall, known as 'Plot C', this land has been marketed subsequent to the balance sheet date. We are seeking a sale exchange in February 2026 and so the final value of this at the signing date is unknown.

SW4 Catering Ltd, a wholly owned subsidiary of South Bank Colleges, was dissolved on 6th January 2026 following an application to Companies House by the Directors. This step was taken as South Bank Colleges no longer requires this company, having transitioned various activities to South Bank Colleges or to contracts the College holds with third parties over the past 24 months.