

# Financial Statements 2021

August 2020–July 2021

*University of*  
**HUDDERSFIELD**  
Inspiring global professionals



Planning approval has been given for the development of the National Health Innovation Campus. It will improve health outcomes and lead innovation in healthcare for the North of England.

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## Professional Advisors

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External auditors:

Grant Thornton UK LLP  
1 Holly Street  
Sheffield  
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Internal auditors:

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1 Park Row  
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England

## Introduction from the Vice-Chancellor

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These Financial Statements cover an extraordinary period at the University of Huddersfield and the world around it. Staff and students continued to work, research and study despite the global pandemic. I am immensely proud of all that they achieved and would like to thank everyone for their determination, commitment and good humour throughout the challenges we faced.

Life at the University of Huddersfield was very different for us all, but I can report that our important work continued and in the pages of this document you can see the progress we have made, and the new avenues we are exploring. Despite the challenging circumstances the University has recorded a surplus before tax for the year at 7.9% of total income, a significant improvement on the deficit of 1% for the previous year.

We have included a snapshot of activity across our six academic schools along with a review of our performance against our strategic key performance indicators. I hope these give you some insight into our work, please do get in touch if you would like to find out more.

Professor Bob Cryan, CBE  
Vice-Chancellor

# The University at a Glance 2020-21

The University Council of the University of Huddersfield hereby submits its thirty-second annual report together with the audited financial statements for the year ended 31 July 2021. The Financial Statements comprise the consolidated results for the University and its subsidiary undertakings. The principal wholly owned subsidiary is The University of Huddersfield Enterprises Limited, which has continued to trade satisfactorily during the year. The purpose of this company is to conduct those commercial activities of the University which are not compatible with the University's charitable status and may be subject to corporation tax on profits generated. The taxable profits of the company are paid by deed of covenant to the University annually. The University's other wholly owned trading subsidiary, Huddersfield Enterprise and Innovation Centre Limited, which houses the 3M Buckley Innovation Centre (3M BIC), has continued to trade during this period.



Best University Employability Strategy

## Tuition Income

Home	£109m
International	£30m

## Research Income

£13.6m

## Student Numbers

UGT	12,749
PGT	3,292
PGR	1,148

## Overview

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The latest HESA statistics show that the University now has more postgraduate research students than institutions such as Bradford, St Andrews and Surrey; more postgraduate taught students than Lancaster, Kent and Keele and more undergraduate students than Cambridge, Imperial and Leicester. In comparison to the sector as a whole, we have a higher percentage of students from state school and low participation neighbourhoods reflecting our commitment to widening access and participation and we now enrol students from over 100 countries reflecting our internationalisation strategy.

The University comprises of six academic schools:

- **Applied Sciences**
- **Arts and Humanities**
- **Education and Professional Development**
- **Computing and Engineering**
- **Huddersfield Business School**
- **Human and Health Sciences**

Notable achievements for each School during the 2020/21 academic year are summarised below.

### School of Applied Sciences

The continued development of our course portfolio saw accreditations from the Royal Geographical Society and Royal Society of Biology for the recently developed BSc Geography and Biomedicine-themed MSc courses. Pharmacy also enjoyed a successful reaccreditation without any conditions or recommendations.

After a testing year of teaching field- and laboratory-based subjects during the Covid-19 pandemic, we were delighted to achieve 100% student satisfaction for Geography in NSS 2021 and excellent PTES scores for analytical and forensics MSc courses.

IPOS – Innovative Physical Organic Solutions had a successful year of analytical contract work including Good Manufacturing

Practice-accredited QC contracts for Thornton and Ross Limited and Rosemont Pharmaceuticals throughout the Covid pandemic.

There was also continued success in securing external-funded research projects from diverse funding bodies including grant awards from the EU and British Council involving international universities and other international stakeholders or policymakers for some of the School's early career academics.

Despite the difficulties presented by the pandemic, the international market in top-up and PGT courses has continued to grow and particular reach into India and widening the strategic relationship with Guangdong Pharmaceutical University for top-up students represent highlights.

### School of Arts and Humanities

This is a new School, formed from the former School of Art, Design and Architecture and the School of Music, Humanities and Media. It unites existing synergies and will stimulate innovation and new programme creation in future years, offering students an innovative range of courses in an environment of teaching excellence and fostering interdisciplinary working, in particular around our new Yorkshire Film and Television School. The School will also build on the collaborative work that takes place through events and initiatives such as the Huddersfield Contemporary Music Festival and Temporary Contemporary on a local, national and global scale.

Huddersfield Architecture student, Lizzie Osborne has one of the major RIBA awards - testament to the ambitious and innovative approach to architectural education that is currently being developed with these courses. Lizzie Osborne won the RIBA Dissertation Medal for her dissertation 'Cesspits of Filth: Queer Vernaculars in West Yorkshire 1975 -1985'. Lizzie's dissertation looks at the emergence of a distinctive and important sub-culture in the

## Overview

town of Huddersfield during the late 1970s and early 1980s.



Tyra Kozlow was a finalist in the 2020 Global Grad Show. Tyra defeated thousands of entries worldwide with her design called 'Sense'. The discreet glucose earring monitors blood sugar levels and delivers feedback in real-time. The item of wearable technology has been created in the hope of lessening the stigma for teenagers diagnosed with type 1 diabetes so that monitoring their condition becomes much more a part of everyday life.



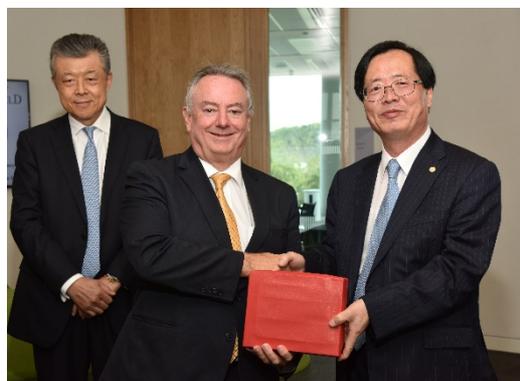
Professor Heather Clark was a Finalist in the Pulitzer Prize for biography for her work: *Red Comet: The Short Life and Blazing Art of Sylvia Plath*. Critical acclaim greeted this major biography of the poet and novelist Sylvia Plath. The book won the Biographers' Club Slightly Foxed Prize for Best First Biography, and was a finalist for the National Book Critics Circle Award and the LA Times Book Prize. It was a 'Book of the Year' in several major publications, including the Guardian and the Times.

The book has been hailed as the definitive account of Plath's life and work. The tragedy of her end and controversy over her relationship with Yorkshire-born Hughes has often overshadowed Sylvia Plath's literary career and accomplishments. Professor Clark has set out to redress the balance.



Professor Parik Goswami has joined a high profile Textile advisory board which includes policymakers, online and high street retailers, technical experts and trade associations - it aims to transform the UK's make-use-dispose fashion culture into one where products are made sustainably, used longer and re-used or recycled.

For textiles and fashion, the collaboration between designers and technologists are of paramount importance for embracing a 'circular economy' approach and we are working to make this collaboration focused and target driven.



The University is currently establishing a Confucius Institute in partnership with East

## Overview

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China University of Science and Technology from Shanghai, with both universities sharing a particular interest in innovation in Science and Technology.

The Confucius Institute will support our students, staff, local schools and the wider business community in the Huddersfield area in understanding the Chinese language and culture.

### School of Education and Professional Development

During the past year, careful financial planning has ensured that we have maintained teaching capacity and expertise through the recruitment of well-qualified and experienced professionals. Posts in lifelong learning and primary education have allowed us to consolidate existing provision while new roles in special needs and careers guidance are allowing us to expand into new areas of work. These new areas will help our growth, especially through attracting international students. Our success in this systematic recruitment and integration of new colleagues is reflected in very strong NSS results.



Dr Lisa Russell has been awarded over £450,000 by the Leverhulme Trust for a four and a half year-long longitudinal study of policy approaches to young people at risk of becoming NEET (Not in Education, Employment or Training) and young peoples' experiences of this. This was the biggest award made nationally in this funding round.

Having worked closely with the International Office and the University's Regional Offices, the School of Education and Professional Development increased the number of students enrolled from the South Asian region by a notable 66%.

### School of Computing and Engineering

**EnABLE – Engineering in an Activity Based Learning Environment** (our brand of PBL), is an exciting new initiative providing students with an opportunity to work within professional teams and to solve real engineering challenges. To facilitate this, we have developed a bespoke facility. Here, the teams-based EnABLE learning can be woven into other modes of delivery, for example, more traditional lectures and student-driven active tutorials, supported by both multi-media immersion and additional hands-on demonstrations as part of interactive delivery.

In other developments academic staff within the Department of Computer Science responded swiftly to the need 'to pivot' to online learning and in the process, developed a whole new distance-learning provision in Data Analytics and Cyber Security, which are two of the most in-demand skillsets for the UK as part of the 'levelling up' agenda.

Making use of world-class EPSRC funded research into Artificial Intelligence (AI) from within the department, a successful bid to the Institute of Coding will now support new entrants into higher education to gain work-ready skills in data analytics, AI and career development, through a concentrated 16 week bootcamp.

The School has been awarded over £3M from UKRI through a "Strength in Places Fund" programme to make a step-change in the design and productivity of next-generation manufacturing machinery. It is part of a £22.6M collaboration with the National Physical Laboratory (NPL) and regional industry and universities.

## Overview

The School is establishing a prestigious Joint College in Fuzhou, China, in partnership with Fujian Normal University, formally launching in September 2021.



Building on an existing partnership between the two Universities, Chinese Ministry of Education approval was granted in May following an exacting process of scrutiny and assessment.

This exciting new development, with Fujian province's oldest university, provides the opportunity for students in China to study three of Huddersfield's undergraduate programmes in electronics and computing. Students in the college will be taught by staff from the UK, as well as local staff and may study entirely in China, or choose to spend a period studying the same programme in the UK. Reciprocal arrangements allow UK based students to spend a period of study in China. The college is anticipated to expand to over 1000 students over the next three years.

### Huddersfield Business School

The School was prominent in the 2021 Times Higher Education World University Subject Rankings. The THE rankings provide an insight into the best institutions in the world by subject area against a range of indicators. Business and Economics rose for a third consecutive year, rising from the 301-400 range in the 2019 rankings to 251-300 in 2020 and again to 201-250 this year.

Law has also been ranked for the first time, at 176-200. This rapid rise means that Huddersfield Business School is ranked higher in both Business and Economics and Law than several of our key competitors.

The significant improvement in the research culture of HBS was demonstrated by moving from 18.8 FTE submitted to REF2014 to 97.6 FTE staff deemed to have significant responsibility for research and hence submitted to REF2021. In addition, we submitted to UoA18 (Law) for the first time. HBS also submitted nine Impact Case Studies compared to three for REF2014.

Working with Study Group, and building on our long-established International Study Centre partnership in



Huddersfield, we have successfully launched a new London campus to our first cohort of students in February, despite the challenges posed by the pandemic.

As the UK's capital city, London exerts a unique attraction for many international students, being the destination of choice for over 25% of all UK based international students. Our new campus will bring Huddersfield's outstanding, TEF gold, reputation for teaching to the capital, opening exciting new opportunities for international students who wish to live and work in the city. Launching with MSc International Business, the portfolio is expanding to include Accounting and Finance, FinTech and Management programmes in the next year.

# Overview

## School of Human and Health Sciences



Dr Melanie Rogers, University Teaching Fellow for Advanced Practice and Spirituality, was awarded a National Teaching Fellowship in 2021. Dr Rogers is renowned nationally and internationally for her unique journey facilitating healthcare spirituality

Research led by Professor Felicity Astin and funded by a prestigious grant from the National Institute for Health Research, has improved consent practice in the area of, coronary angioplasty. Three million people worldwide annually consent to this particular treatment but often without fully understanding the possible consequences. The research is resulting in significant cost savings in several NHS sites, enhancing professional knowledge across a number of countries, and informing national guidance for UK doctors on decision making and consent guidance.



In the last year the None in Three Centre for the Global Prevention of Gender-based Violence was established, building on a substantial programme of research and funding over the past few years. The [Ni3 Centre](#) is notable in its emphasis on the prevention of physical or sexual violence against women and girls and its innovative approach of developing evidence-based anti-violence video games to use as educational tools. The Centre provides a home for researchers engaged in GBV prevention research as well as its current core projects: the **Global Challenges Research Fund** and **University of Huddersfield** funded global Ni3 project (spanning the UK, Uganda, India and Jamaica) and the Ni3 Brazil project, Emilio.

Researchers have been awarded funding of 10 million US Dollars from the United Nations' [Fund to End Violence Against Children](#) through the Fund's latest [Safe Online](#) investment round.



Adele Jones, the University of Huddersfield's Professor of Social Work and Director of the ground-breaking [None in Three research centre](#), [has been awarded an OBE](#) in the Queen's New Year Honours list.

# Constitution and Powers and Public Benefit Statement

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## Constitution and Powers

The University of Huddersfield is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. The Trustees are the people who serve on the governing body of a charity. For our purposes, the Trustees are known as Members of the University Council in accordance with our Instrument and Articles of Government.

The University's revised Articles of Government were adopted by the University Council on 22 February 2012.

The Vice-Chancellor is the Chief Executive of the University.



## Public Benefit Statement

The Charities Act 2011 introduced the requirement for Council Members to demonstrate explicitly that the main activities of the University are in furtherance of its charitable purposes which are for the public benefit. The University Council has complied with its duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission, which is available directly to Members.

This guidance states that the two key principles of public benefit are that:

- there must be an identifiable benefit or benefits; and
- benefits must be to the public or a section of the public.

The University's principal aim is the advancement of education.

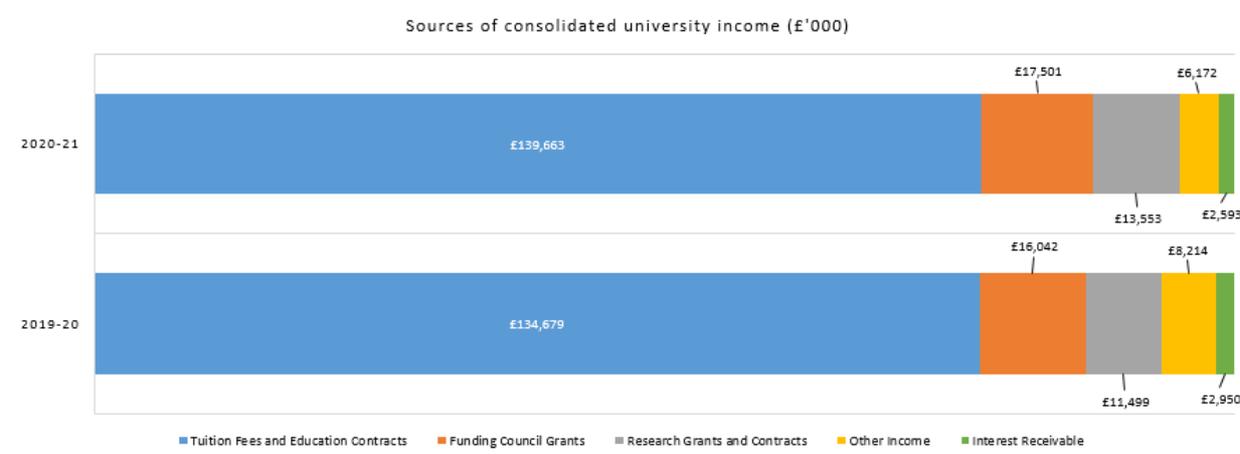
The University of Huddersfield's roots go back to 1841 via the Young Men's Mental Improvement Society. Throughout its history the University has been committed to meeting the needs and aspirations of its students. This remains our key focus. Our long term objective is to embed knowledge exchange activity, drawing on excellence in learning and teaching and research.

We are a successful, popular and innovative modern University that offers a wide range of education, training and research facilities and we are proud of our achievements. The University of Huddersfield has a student population of over 17,000 undertaking a wide range of courses covering the wealth-creating, cultural and social welfare aspects of our economy.

# Value for Money Statement

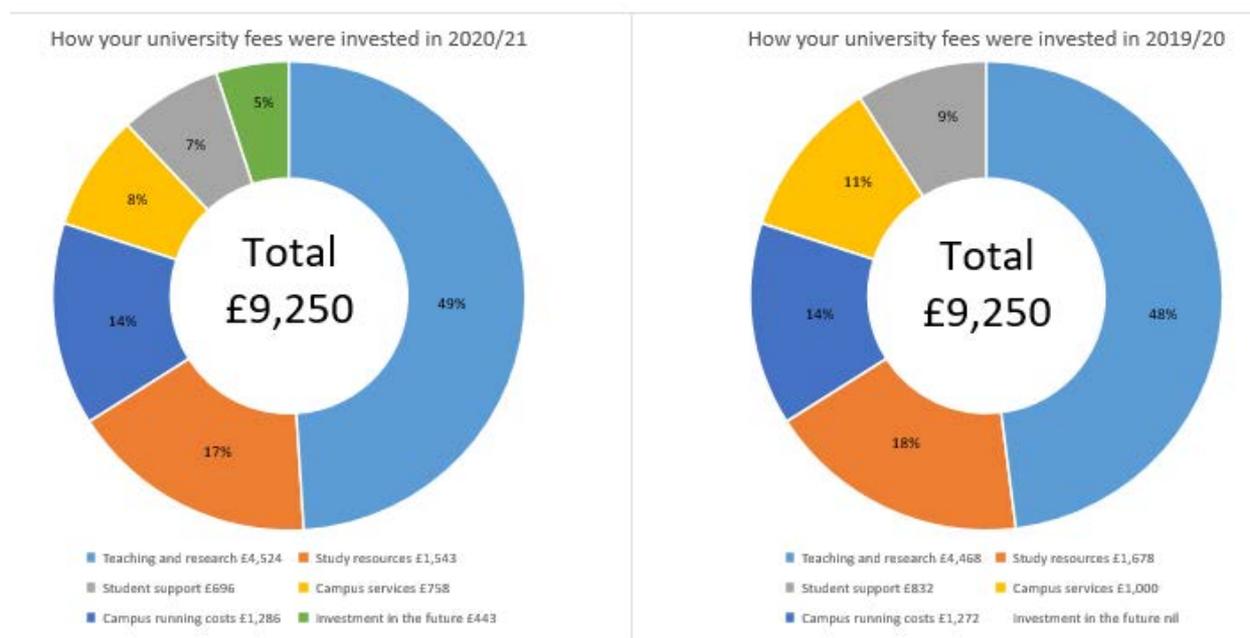
The University has a Value for Money Strategy (VFM) which commits us to the pursuit of economy, efficiency and effectiveness as part of our corporate and academic strategy. To this end the University produces a comprehensive annual Value For Money Report which is reviewed by the University’s Audit Committee. We will continue to adopt good practice; we will incorporate VFM principles in all of our activities; and we will always seek to find new ways of obtaining better VFM.

The University is registered with the Office for Students as a Higher Education Provider. The OfS Regulatory Framework governs this registration and states at s444 that providers should regularly publish “..... clear information about arrangements for securing value for money including, in a value for money statement, data about the sources of income and the way that income is used”.



# Value for Money Statement

The charts below show our sources of income and how student tuition fees were spent in 2020/21 and in 2019/20:



Our students' fees pay for lecturers and other academic staff, building maintenance, as well as maintaining equipment and laboratories. This makes up a significant proportion of our expenditure as we want to ensure our students get the best possible education. We provide this by investing in the teaching facilities and attracting teaching staff who are actively engaged in pioneering research.

Student fees also contribute to our student support and academic services, which are important to student experience. In 2020/21 we spent £9.1m on student support, which includes services such as counselling, disability support and financial advice. We also spent £25.0m on our IT, library and academic services whose facilities aid learning outside of the lecture theatre and are accessible to all of our students.

Equally, money needs to be spent behind the scenes on essential things that keep our University running, like utilities, insurance, maintaining the estate and the wide range of staff who provide essential services, for example cleaning, human resources and IT.

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## Materiality and Risk

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### *Risk*

The University's approach to the management of risk is based on comprehensive risk analysis across all its Schools and services, reviewed at least annually. It is aligned very closely to the Strategy Map, and at an institutional level allows for the creation and monitoring of a risk register and the evaluation of emergent risks under the oversight of Council's Audit Committee. The risk registers of each School and Service are reviewed each year as part of the annual planning round process, and this along with horizon scanning and sector intelligence forms the basis for each annual revision to the register. The overall risk register informs the programme of internal audit. In 2020-21, the highest residual risks for the institution related to undergraduate student recruitment and student satisfaction, reflecting challenges and opportunities in the current conditions affecting the institution. By contrast, there were reductions in the residual risk associated with failures of the estates, recognising the continued effectiveness of development work and the demonstrable effectiveness of the pivot away from on-campus activity in the face of the Covid19 pandemic. This prioritisation is reflected in regular discussions at Audit Committee, with appropriate consideration and monitoring of the student recruitment risk.



# Our Vision and Strategy

We achieve our aims through putting students at the heart of our planning and developing our staff to meet this aim; facilitated by financial sustainability; and improving our efficiency and effectiveness. Our achievement is measured against a number of Key Performance Indicators which are underpinned by specific targets.

## Aims

University of  
**HUDDERSFIELD**  
Inspiring global professionals



## Values

We will work as a **team** to provide an **excellent** service to all of the **communities** we support.

# Our Vision and Strategy

## Key Performance Indicators



## Values

We will work as a **team** to provide an **excellent** service to all of the **communities** we support.

# Inspirational Teaching

## Strategic Aims



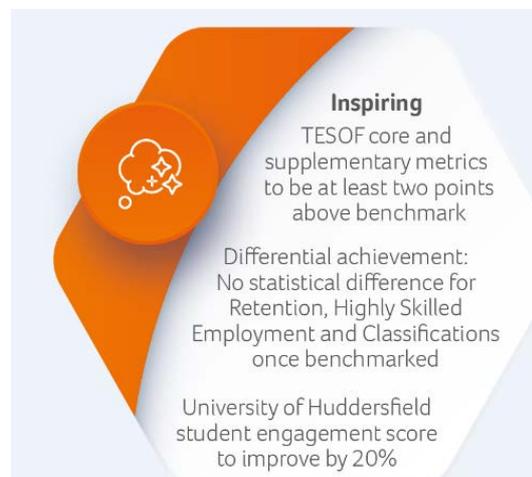
The graphic for Strategic Aims features a light blue background with a large orange arrow pointing downwards. On the left side of the arrow is a circular icon containing a white cloud with three stars. The text is arranged in three paragraphs on the right side of the arrow.

**Inspiring**  
Enable all students to become inspiring and enterprising global professionals and achieve career and personal success

Inspire all students to fulfil their potential and achieve the highest academic and professional standards

Create an inclusive globally aware community providing a world-leading and inspiring student experience

## Key Performance Indicators



The graphic for Key Performance Indicators features a light blue background with a large orange arrow pointing downwards. On the left side of the arrow is a circular icon containing a white cloud with three stars. The text is arranged in three paragraphs on the right side of the arrow.

**Inspiring**  
TESOF core and supplementary metrics to be at least two points above benchmark

Differential achievement: No statistical difference for Retention, Highly Skilled Employment and Classifications once benchmarked

University of Huddersfield student engagement score to improve by 20%

## Progress against Strategic Aims

### TESOF Metrics

While consultation on the Teaching Excellence Framework (TESOF) continues, work to enhance the University's position in readiness for the new exercise is bearing fruit. Insights from the Huddersfield Student Survey (HSS) demonstrated significant increases in satisfaction against core indicators including teaching, learning opportunities and assessment compared to the previous year.

Disappointingly, but perhaps unsurprisingly, final-year students, who had been impacted by Covid significantly since term two of their second year, registered some low overall satisfaction scores in the National Student Survey (NSS). Several of our courses did however, perform very well in the NSS, with Geography's first graduating cohort giving

100% satisfaction rates, as did Youth and Community Work, for example. Significant enhancement is required elsewhere and action plans are ongoing with these areas, including a new Code of Practice for all academic staff and training resources for course leaders.

### Differential Achievement

We have made significant progress addressing differential attainment whilst maintaining an excellent profile in the diversity of our student body and widening participation. There are no significant gaps between groups in the student population in rates of retention or progression and the differential attainment gap (comparing attainment of a first or upper second class degree) is amongst the smallest in the sector, especially for students from black ethnic backgrounds where our gap is 8% compared with a sector-wide gap of 18.3%.

# Inspirational Teaching

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### *Student Engagement*

The student engagement index has presented challenges this year as the attendance monitoring element has been impacted by Covid and the requirement for students to self-isolate. Attendance monitoring will be reinstated in 21/22 and we can use the other elements of the engagement index around Brightspace engagement, library usage and Personal Academic tutoring in the meantime to assess engagement levels.

- Training to support academic staff in blended pedagogies: the Moving Your Module Online resource, integration of Microsoft Teams and Brightspace which meant that we were able to switch between face to face and distance learning as necessary.

### **Review of the Year**

National restrictions throughout the academic year 2020-21 created significant challenges for teaching and learning. The pandemic and government-imposed restrictions meant that significant amounts of face-to-face delivery were not possible for many courses. Staff rose to the challenge and we had a successful year for student outcomes and graduates.

The shift towards blended teaching and learning was supported by

- The introduction and integration of Teams, the online meetings application, and the Stream video recording application.
- Work on accessibility to ensure that all material presented online was accessible to all students.
- Training for staff and students to help them navigate new digital learning environments. Digital bursaries to first year students from low-income households, to secure laptops and enable access to online sessions.



# Inspirational Teaching

## Transformative initiatives

In 2020/21 we focussed on the development of 8 transformative initiatives, each related to the Inspire key performance indicators.

### Global Professional Award



We have successfully introduced the Award to all first-year students across the university following a successful pilot in 2019/20. More than 3000 students engaged in this programme, which carries accreditation by CMI. It responds to all three of our strategic aims in supporting students to become globally aware professionals confident in their chosen field.

### Flying Start

We have continued to expand our Flying Start programme, supporting students moving into Higher Education for the first time. This programme is now offered across all Schools where it is being delivered to new starters.

### Induction resources

Drawing on the success of Flying Start, and taking account of the shift to online learning in September 2019, an online induction resource was developed to introduce all new students to the University, the expectations of Higher Education, and the technologies which underpinned their studies. This was designed to ensure that all students could quickly adapt to online learning in readiness to respond to government lockdown. It was well received by students and staff and has been rebranded as “Huddersfield Essentials” for the next year.



### Ready Steady Study

A new initiative which was launched in August 2021 to enable new students to engage with the University prior to the start of the academic year, introducing them to the expectations of Higher Education, the technologies they may need, and the support systems on offer. So far this year, this resource has been accessed by over 70% of our new starters and is a valuable resource for this cohort of students whose education has been disrupted over the last two years. A second resource ‘Ready Steady Research’ was also developed for our new postgraduate research students.



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# Inspirational Teaching

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## *Personal Academic Tutoring Resource*

Personal Academic Tutors (PATs) meet their tutees at five touchpoints in any academic year, for full-time students. PATs are an important part of the University's offer of individualised and targeted support to each of our students. The newly created PAT resource guides staff in fulfilling their role and supports students through the tracking of PAT meetings where their progress is discussed. It was successfully piloted in 2020/21 before full roll out in September 2021.

## *Academic Integrity Resource*

To combat concerns about academic malpractice, including plagiarism and collusion, an Academic Integrity Resource continued to be developed in 2020/21 which all students were required to complete. This resource is now entering its third year and has been successfully embedded across all Schools where it is seen as a central tool in managing the challenges of academic malpractice.

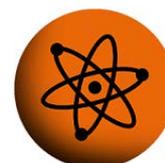


## *Student Voice*

The 2020 academic year saw the launch of a module evaluation project ME360, an institutional module evaluation system which reports back to students' collated module evaluation data. This responds to student requests for greater transparency in student voice systems.

## *Differential Attainment Project*

Analysis of student performance data continues to develop through this project leading to initiatives to improve student outcomes. Flying Start, online induction and Ready Steady Study were developed as a result of this analysis, and projects planned for 2021 include a review of assessment strategies. The benefits from this work can be seen in the progress made towards Inspiring KPI 2.



# Innovative Research Excellence and Enterprise

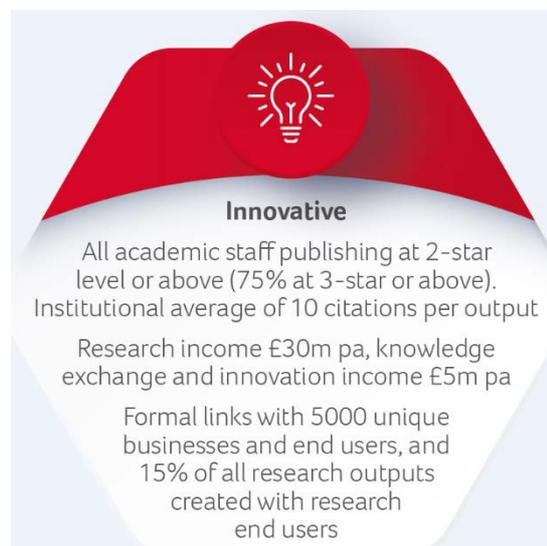
## Strategic Aims



**Innovative**

- Increase our international recognition via the volume and quality of research outputs
- Increase our research and knowledge exchange income
- Become a focus for productivity improvement, impact and enterprise

## Key Performance Indicators



**Innovative**

- All academic staff publishing at 2-star level or above (75% at 3-star or above). Institutional average of 10 citations per output
- Research income £30m pa, knowledge exchange and innovation income £5m pa
- Formal links with 5000 unique businesses and end users, and 15% of all research outputs created with research end users

## Progress against Strategic Aims

### Priorities

Our University Strategy Map provides a set of research and impact aims encompassed under its Innovative strand. These are underpinned by the University Research Strategy 2016-2025 and build on the creativity, knowledge, and skills of our academic staff. The key objectives are to:

- Pro-actively support the flow of people and ideas within an international network of knowledge. The purpose of this network will be to provide support and inspiration for our researchers as they develop their research imaginations, research profiles and research impact.
- Increase our research power rating by at least a factor of two compared with Research Excellence Framework (REF) 2014 outcomes. REF exercises take place every 6-7 years. The outcomes influence the value of the Quality Related (QR) research grant received from government each year (currently ca. £5m per annum) and the research reputation of the University. The REF 2021

submission was made in March 2021 and included 552 FTE academic staff (262 in 2014), in excess of 1300 research outputs, 60 impact case studies (34 in 2014) and 19 environment statements which contribute 60%, 25% and 15% respectively to the assessment scores for each discipline area (19 Units of Assessment -13 in 2014).

- Provide targeted resources through the University Research Fund (URF) to promote internationalisation and multidisciplinary as routes to innovative research, particularly in Areas of Strategic Research Importance (ASRIs). The ASRIs are data science, engineering systems, productivity, materials, sustainable environment, security, creativity, health and wellbeing. ASRIs are developed through collaborative research and partnership and are expected to have impact in culture, health and wellbeing; productivity; sustainability; and equality, cohesion and society.

# Innovative Research Excellence and Enterprise

- Support best practice in research integrity, open access, research data management and public engagement.

## Review of the Year

Despite the impact of Covid-19 we have made good progress with some aspects of our research strategy:

### Centre of Artificial Intelligence for Mental Health

A new [Centre for Artificial Intelligence for Mental Health](#) in the School of Computing and Engineering was established in 2021. The Centre operates at the intersection of two ASRIs: Artificial Intelligence and Mental Health. Its scope is to apply AI methods - machine learning, reasoning, knowledge graphs - to various mental health diseases.

The initial set of diseases include ADHD, autism and suicide prevention, but is expected to be expanded in the course of the Centre's operation.



**Artificial Intelligence and ADHD diagnosis –** Professor Grigoris Antoniou, working in collaboration with South West Yorkshire Partnership Foundation Trust (SWYPFT), has been awarded £140,000 for an additional one-year of research in the inaugural call of the AI in Health and Care Award from the NHS AI Lab, managed by the Accelerated Access Collaborative in partnership with NHSX and the National Institute for Health Research to develop an AI solution for diagnosing ADHD in adults.

## HR Excellence in Research Award

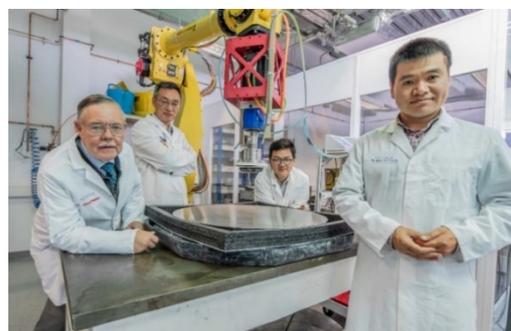


The University first received the HR Excellence in Research award in

HR EXCELLENCE IN RESEARCH

September 2011. In accordance with the requirements of the Award, biannual reviews and action plans have been produced to evaluate our progress against the principles of the Concordat to Support the Career Development of Researchers, which act as a framework of good practice for the management of all researchers and their careers. The most recent review took place in 2020 and confirmation of the award was given in 2021. The review has generated a new action plan 2020-24.

## Highlights



**Transferring Technology in Optimised Metal Mirror Fabrication -** A three year STFC funded project “Transferring Technology in Optimised Metal-Mirror Fabrication” led by Dr Guoyu Yu with a grant value of £365,000, commenced on 1 September 2020. Bringing together two research groups within the Centre for Precision Technologies, and working with external partners Contour Fine Tooling Ltd., Kemet International Ltd., Optical Tools for Industry Ltd and Thin Metal Films Ltd, its main objective is to transfer advanced technologies in manufacturing metal mirrors to British industry.

# Innovative Research Excellence and Enterprise



**Preparing for pandemics in disadvantaged countries** - The University of Huddersfield's [Global Disaster Resilience Centre \(GRDC\)](#), headed by Professor Dilanthi Amaratunga, is bringing its expertise to bear in a project to help disadvantaged countries prepare for pandemics following an award of £166,000. The award comes from UK Research and Innovation (UKRI), funded through the Global Challenges Research Fund (GCRF) and the Newton Fund.



Dr Mauro Vallati

**Future Leaders Fellowship** – In October 2020, [Dr Mauro Vallati](#) was awarded a UKRI Future Leaders Fellowship.

He is aiming to create an artificial intelligence-driven, autonomous traffic congestion monitoring system – assessing the environmental impact of travel, such as vehicle emissions. The system will be designed to effectively manage congestion in specific areas by altering traffic light sequences and to communicate with vehicles to suggest they

drop speed, change routes to avoid congested areas or switch to electric power. This four year Fellowship, with a grant value of £1.1m, is in partnership with Transport for Greater Manchester, Kirklees Council and SimplifAI Systems.



**Next Generation Metrology** - Professor Dame Xiangqian Jiang, head of the Centre for Precision Technology at the University will lead two research groups awarded more than £5m for a new programme titled *Next Generation Metrology Driven by Nanophotonics* – awarded jointly with the University of Southampton. The project started in February 2021.



**Smart Rolling Stock** - In August 2020, The Institute of Railway Research launched a £1.8m project, [The Smart Rolling Stock Maintenance Project](#), with a grant from the European Regional Development Fund, supported by the Northern Powerhouse, to improve maintenance of the UK's railway rolling stock, investigating how cutting edge-technology and data analysis can improve the efficiency and reliability of how the UK's railway rolling stock is maintained.

# Innovative Research Excellence and Enterprise

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**Doctoral Training Grant** – The third tranche, £1.25m, of EPSRC DTP funding commenced in October 2020 providing full stipends and fees for 20 students over 5 years. Funding will be allocated to PhD projects in materials research and allied subject areas primarily across two academic schools - Computing & Engineering and Applied Sciences.

## *Looking Ahead*

We are aiming to restore our trajectory for growth in research in a post-Covid environment through careful and fair choices in the use of resources such as the University Research Fund and exploiting opportunities expected to arise from the government's Innovation Strategy and the levelling-up agenda.



# International Renown

## Strategic Aims



**International**  
Recognised as a world-class academic institution

Build strategic research partnerships with other world-class academic institutions

Continue to provide a world-class student-experience

## Key Performance Indicators



**International**  
Top 300 Times and QS World University Rankings

140 strategic research collaborations with Top 300 Times or QS institutions and 60% of publications with international collaborators

Top 25% in UK ISB for “Integration” measures (and Top 10% overall)

## Progress against Strategic Aims

TruOwl estimates that there are over 25,000 Universities in the world and we have a strategic aim to reach the Top 300 Times and QS world rankings by 2025, focussing on building our international reputation through research excellence and recognition with academic peers and employers.

Improving research metrics, including outputs and citations, alongside growing peer recognition have helped drive a rise in the league tables and we are now:

- Ranked 601-800 in THE World University rankings.
- Moved into top 150 in THE Young University Rankings at #142.
- Ranked 701-750 in QS.
- Top 54% of QS ranked institutions (improved from top 60%).

### QS Stars

This year the University of Huddersfield was rated a 5 Stars institution by QS, improving on the previous 4 Stars rating.

This rating recognises that the University is “**world class in a broad range of areas, enjoys a high reputation and has cutting edge facilities and internationally renowned research and teaching faculty**”.



# International Renown

## Subject Excellence

In 2021 Law, Arts and Humanities and Social Sciences at Huddersfield joined Business in the **top 300 THE World Subject Rankings**.



An international reputation for music research underpinned Huddersfield's ranking at **27th worldwide for Performing Arts in the QS Subject Rankings**, appearing in the top 30 for the third consecutive year.

There is much work to do however for the University to reach the Top 300, thereby ranking with many of the UK's Russell group institutions. Our focus will be on growing research excellence alongside fostering international partnerships and collaborations that enhance the reach and impact of our work.

## Growing our International Student Community

International student recruitment is key to our strategic ambitions to be recognised as a world-class academic institution and to sustain student-number growth and we have seen an increase of 13% on the previous year despite the pandemic.

## International Collaboration

- University strategic funding is supporting 39 collaborative research projects with top 300 institutions.
- Over 50% of publications with international collaborators over the period 2014-2021.

Collaborations and top research areas from the last five years  
Click dots and arrows to bring up details.



The University has **joint outputs with over 90% of the world's top 300** Universities as ranked by QS and THE and with most of these institutions we have multiple joint publications.

In order to enhance and embed our culture of international collaboration in research, the University is supporting 39 new **collaborative projects** this year to strengthen links with top 300 institutions, from Harvard to Tsinghua and from Barcelona to Queensland.

Although the pandemic and associated travel restrictions have inevitably had an adverse impact on these projects, new ways of working online are also opening new methods of collaboration.

Building on our international perspective, we are increasing the proportion of our outputs that are produced in collaboration with colleagues at international institutions.

With a target of 60% by 2025, over half of outputs are now produced with international collaborators.

# International Renown

## Review of the Year

While the sector faced unprecedented challenges throughout 20/21 due to the pandemic, the University's academic Schools worked closely with the International Office to deliver continued growth and record recruitment.

**Adapting to the Pandemic**



On 22 May 21 we ran our first online International Information Day event aimed at attracting new international enquirers to the University of Huddersfield.

The event had live streams and chat sessions with the Schools, regional offices and support services offering information on programmes, scholarships, visas, student life and accommodation.

Feedback was very positive, with 471 sign ups and 107 attending live. This format will be further developed and repeated throughout the year.

China has traditionally represented the largest international recruitment market for the University and is based strongly on partnerships for student progression at undergraduate level. This market was particularly severely impacted by the pandemic, suffering over a 50% fall with ongoing lockdowns and travel restrictions.

Strong growth in the India, Nigeria and Pakistan markets led to an overall increase in international student recruitment, despite the pandemic. These markets are primarily postgraduate and were supported by recent changes to UK immigration rules with the introduction of new post study work opportunities.

The University has responded to market changes with an expanded postgraduate offer, new employment-focussed Professional Masters programmes with a work placement, and an increased January offering. A new regional office is being launched in Pakistan, to complement the existing offices in China, Hong Kong, Nigeria, India, Malaysia and Vietnam.

## Student Mobility

Providing student mobility opportunities, with the chance to study or volunteer abroad, is important in creating an inclusive and international student community.

The pandemic has prevented travel this year, but the University has secured funding from the new Turing Scheme to support short (four week) undergraduate visits to Malaysia, Vietnam and China alongside longer (three month) PhD placements at leading research institutes worldwide.



# People First

## Strategic Aims

**People First**

Attract a talented global academic workforce to deliver and support our growth, vision and values

Recognise contribution and provide a fair and motivational framework to ensure colleagues' engagement for continuous improvement

Grow an inclusive community of leaders and managers to develop people to achieve excellence



## Key Performance Indicators

**People First**

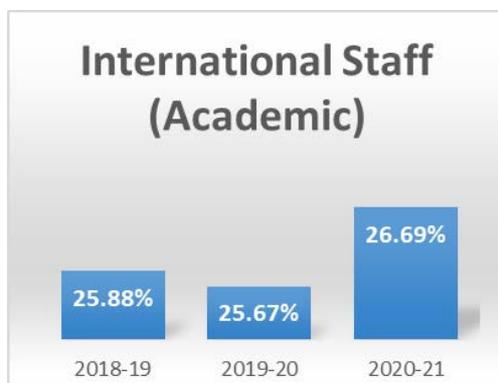
35% of academic staff to have international experience

University to be in the QoWL sector upper quartile measure for engagement and satisfaction

University to be in the QoWL sector upper quartile measure for good management practice



## Progress against Strategic Aims



We remain on target with 26% of our academic colleagues having international experience which relates predominately to the appointment of talented international colleagues. Our increasing number of academic colleagues collaborating with international partners will further enhance and support our growth, vision and values.

# People First

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### *Engagement and Satisfaction*

We have long held the value of being an employer of choice and that our colleagues' engagement and satisfaction is key to our success. We recognise that we are in a sector where there is intense competition, and our people can move between different universities, and we understand the importance of ensuring all our staff have a keen sense of belonging and engagement with us. As well as being an accredited employer through the Workplace Wellbeing Charter, where we are assessed in terms of our commitment to improving the lives of those working at the University, we offer a range of excellent employee benefits. To measure progress against the employment and engagement and the good management KPIs participate in a biennial sector wide quality of working life survey to see how colleagues feel about working at the University. Our last survey in 2019 placed us in the third quartile and since then we are working hard to improve this outcome. We continue to progress on the findings of the last survey to improve engagement and have launched a university wide recognition scheme called 'Highfive' on a social media platform enabling all colleagues to recognise and show appreciation for individuals and teams.



Although the sector survey was paused during the pandemic and will not run again until May 2022, we conducted our own Wellbeing Survey in February 2021 to gauge how colleagues adapted to working at home and take a temperature check of wellbeing, engagement and satisfaction. Colleagues have reported communication by the University and line manager support has been well-received and individuals have reported that their work-life balance has improved with them having greater flexibility on how they manage their working hours to support their personal choice or to balance their personal situation. In response to this we have introduced a Hybrid Working Framework through consultation with our colleagues.

### *Good Management Practice*

We are in the upper quartile as measured by our biennial survey hence meeting this strategic target. Our work with the Chartered Management Institute continues to enable us to create a body of 'professional' managers at all levels across the University – we remain the only institution where all managers are either qualified chartered managers or working towards the qualification. Our accredited continued professional development for our chartered managers community enables colleagues to be fast-tracked to the MSc in Strategic Leadership course of study.

# People First

## Review of the Year

### Covid-19

We responded quickly and positively to the impact of Covid-19 by ensuring that colleagues were equipped to work from home and encouraged a flexible approach to working arrangements acknowledging the difficulties of caring for pre-school children and others, home-schooling children and the individual impacts on mental wellbeing. Additional support was promoted via our employee assistance programme and our teams in People & Organisational Development and Occupational Health.

The introduction of university wide activities such as Lockdown photo competitions that included Active@home, Cutest Pet and Life in



Lockdown; and the continuation of our book club, pop choir and our many staff networks through online platforms, have helped keep people connected and engaged.

Going forward and using the findings of our Staff Wellbeing Survey we are changing to a more blended working style which means a mixture of home and on-campus working whilst ensuring the campus remains a vibrant community for our students and staff. We continue to work with our key stakeholders to further explore optimal ways of working for the future to develop and pilot a Hybrid Working Framework.

### Equality, Diversity and Inclusion

Equality, Diversity and Inclusion (EDI) are core values of our work. We remain committed to providing an inclusive learning and working environment in a culture of mutual respect and dignity, where all staff and students are



valued for their contribution and able to reach their full potential. We are committed to going beyond the legislation and aim to achieve equality, diversity and inclusivity throughout all areas of university activity and to help us achieve this we continue to make progress with our Race Equality Charter work. We launched our 'U-Connect Diversity Mentoring Scheme' working in partnership with other regional universities and were shortlisted by our sector professional body, UHR for our work on our Inclusion Week – a unique collaboration between staff and students.

This year saw success in achieving Investing in Ethnicity Employer recognition which is a government-backed Maturity Matrix which lists key recommendations and guidance to help advance and streamline strategy for organisations on their ethnicity journey.



We remain an Athena Swan Bronze university which is a quality charter mark framework and accreditation scheme established and managed by the UK Equality Challenge Unit that recognises and celebrates good practices in higher education and research institutions towards the advancement of gender equality, representation, progression and success.

## People First

Our gender pay gap continues to reduce year on year which led to the European Human Rights Commission approaching us to deliver a conference speech to motivate other business leaders to see the benefits and value in using GPG figures and other data to drive action on gender equality in the workplace. Our case study forms part of a toolkit of resources for all employers developed jointly by EHRC and the Chartered Managers Institute. We are working with our staff and student networks to better understand and improve our ethnicity, race and disability pay gaps.



As a large local employer to our community, we continue to be a Voluntary Living Wage employer and remain committed to ensuring our colleagues in front-line operational roles and administrative support roles are paid fairly to meet the real cost of living. We continue to work with UCEA for national pay negotiations and work in partnership with local union branches on non-pay matters to meet our strategic aims around engagement and satisfaction.

### Leadership and development

Prior to Lockdown a review of our learning and development offer had started and was completed during this period. Through our training needs analysis we identified a number of development themes which provide a thematic approach that underpins our offer and ensures it is aligned with our 2025 Strategy Map and values. We moved most of our courses and sessions online during lockdown which saw an increase in participation and the evaluation feedback showed improved satisfaction. We are now delivering a blend of online and on-campus sessions.



Work as part of our focus on our strategic objectives includes the introduction of our Talent Hub, which is a range of mechanisms for developing talent

such as our Talent Conversation Tool and Development Centres to visualise performance and readiness for colleagues' progression and more effective succession planning. In line with this we introduced our new 'Huddersfield Leader – Behavioural Framework' which identifies what best practice in leadership and management looks like, feels like and sounds like. These tools complement our well-received new online PDPR processes tailored specifically for different categories of roles and which better balance individual performance with development opportunities, thus providing better analysis to support the wider strategic planning process.

In support of our strategic research aims we have embedded the principles set out in the 'UK 'Concordat to Support the Career Development of Researchers' in line with our agreed action plan and consequently retained our HR Excellence in Research award following a robust 8-year review. Progress has continued on the Technicians' Commitment and our submission in January 2021 of our 12-month action plan was approved.



HR EXCELLENCE IN RESEARCH



In other successes, we have been shortlisted for the CMI HE Partner of the Year, which is

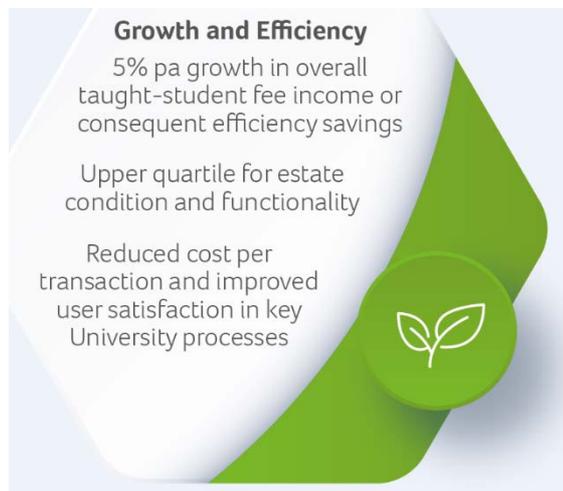
awarded to a Higher Education partner for outstanding positive impact on student experience, professional development and employability. We continue to be the only company where all of our managers are either chartered managers or working towards the qualification.

# Growth

## Strategic Aims



## Key Performance Indicators



## Progress against Strategic Aims

### Growth

In spite of the particular pressures on the HE market resulting from the Covid19, taught student fee income increased by £1.31m (home students) and £2.07m (international students) on that achieved in 2019-20. The context of the pandemic and some of the consequential disruption to the student recruitment cycle, including in relation to assessment at level 3 in the UK, meant that the good performance at confirmation and clearing, supported entirely off-campus by major advances in technology provided by Computing and Library Services, was particularly notable. This outturn was supported by strong performances in many areas and particularly by good recruitment in January 2021, reflecting the institution's flexibility and ability to respond to the situation of applicants locally and internationally. For the international market, the attractiveness of the January-start Master's offer was very important, and January starts were instituted on a range of courses that previously had just one entry point in September. Schools each have a programme of development activity to support growth, responding to applicant demand and workforce developments in their field, but also responsive to the

effectiveness of new courses in supporting the delivery of the range of objectives in teaching, research and internationalisation set out in the Strategy Map to 2025. Examples include significant extensions to the work in allied health professions in the School of Human and Health Sciences, for example Speech & Language Therapy and Paramedic Science, and the creation of the Yorkshire Film and Television School in the School of Arts and Humanities. The latter brings together existing strengths in a range of disciplines ranging across, for example, media, music, drama and creative writing and has already helped generate significant additional applications and enrolments. In the School of Applied Sciences, the recent introduction of Optometry continues to bring benefits, with the expansion of capacity for year-one recruitment supported by the General Optical Council. Revalidation and the extension of the portfolio in the Huddersfield Business School have seen important initiatives in fields such as Service Industries and Data Analytics. Equally, many areas are seeing steady growth in longer-established programmes, ranging across (for example) nursing and midwifery (supported by promising work with partners to increase placement capacity), law and biomedical and related sciences.

# Estate Infrastructure

## Strategic Aims

**Growth and Efficiency**  
Sustained student-numbers growth

An estate with sector-leading condition and functionality

Efficiencies led by a Digital Transformation agenda



## Key Performance Indicators

**Growth and Efficiency**  
5% pa growth in overall taught-student fee income or consequent efficiency savings

Upper quartile for estate condition and functionality

Reduced cost per transaction and improved user satisfaction in key University processes



## Progress against Strategic Aims

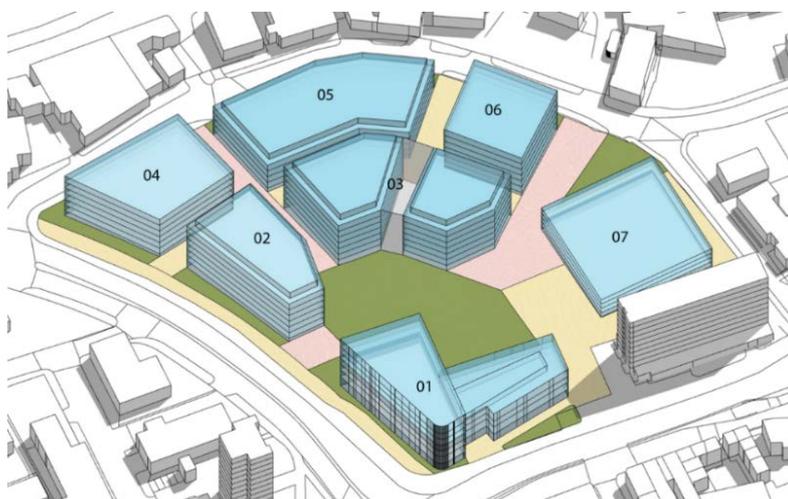
### *Growth and Efficiency – An estate with sector leading condition and functionality*

Despite the implications of operating an Estate within a pandemic its buildings condition for 2019/2020 remains sector leading at 96.5% A + B and ranked 10<sup>th</sup> within mainstream universities with only a slight interruption to progress due to Covid-19, alongside an equally consistent position regarding functionality at 98.5% and ranked 14<sup>th</sup>.

## Review of the Year

Further to a University decision to acquire the former Huddersfield Sports Centre site at Southgate from Kirklees Council and the subsequent agreement from their Cabinet to sell to the University, Estates and Facilities have agreed Heads of Terms and are currently aiming to secure the site.

Alongside the acquisition an outline planning application has been approved by KMC to develop the 6-acre site as a National Health Innovation Campus providing up to 75,000m<sup>2</sup> of accommodation to “*help end health inequality in our region and beyond*”



## Estate Infrastructure



Its first building, the Health and Wellbeing Academy, will house the School of Human Health Sciences and external health partners across its 10,000m<sup>2</sup> of flagship accommodation situated at the gateway to the campus. The Estates and Finance Committee have been instrumental in the approval of the winning design by AHR architects.

In support of the National Health Innovation Campus development, AHR architects of Huddersfield have been appointed as University Master planners to propose a new masterplan linked to a new estate strategy for the Queensgate, Western and proposed Southgate campus.

Notwithstanding the implications of Covid, 2020-21 was a transitional year for significant capital expenditure following the completion of Barbara Hepworth and the New Science Buildings in Autumn 2019 with the only new build planned in the period being the new Faith Centre.

The transition and pandemic considerations have seen a projected shift of capital expenditure in the current strategy map towards maintenance expenditure, save for funding which has been ring-fenced for the new National Health Innovation Campus at Southgate and the new Faith Centre.



## Estate Infrastructure

Capital expenditure for the 12-month period is £9m and following a full review to 2024-25, including Southgate, is projected at £90m.

A new long term maintenance plan over 5 and 10 years has resulted in a significant increase in funding being approved by University Council which will see it increase to £3.1m by 2024-25.

A combination of Brexit, the pandemic and the Suez Canal closure has created a perfect storm of unprecedented increases in construction material prices and a shortage of labour as the UK attempts to build back better. Whilst it is anticipated that cost increases will slow down over the next two years, pressure has been placed on a number of projects on site both in terms of increased costs and delays in sourcing materials. Estates and Facilities procurement have worked closely with external consultants to analyse market conditions to mitigate delays and costs.

Crucial to the performance of Estates and Facilities and indeed the University during the pandemic has been our people, who

have been the 'glue' that has held the campus together and facilitated the operation of the estate. A particular highlight was the rapid construction of an Asymptomatic Test Centre within Student Central involving multiple teams within Estates and Facilities alongside the redeployment of catering colleagues to ensure the campus was Covid Secure as part of a robust cleaning regime.

Estates and Facilities continue to work closely with the international Office, Huddersfield Business School and the International Study Group to create our London Campus to match the current quality offering at the Queensgate Campus. Additionally, a new Confucius Institute has been created within the Oastler building.



Despite delays created by the pandemic the conversion of Technology building to create a new research facility in support of the University's strategy to increase research income is well under way transforming the former Art and Design facility into a state-of-the-art research facility incorporating a fully functioning two storey structure to create a smart house for research into cybernetics.

An added benefit has seen the introduction both as an energy saving and research project of the 417m<sup>2</sup> of Photovoltaic cells to the roof of the Technology Building.

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## Estate Infrastructure

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The Institute of Railway Research has been further expanded with the technical introduction of a Smart Rolling Stock facility alongside the existing HAROLD installation. Additionally Estates and Facilities have been working with the School of Computing and Engineering and EnTrust to provide the University's first Electric Vehicle charging stations combined with research.

The main area of estate condition concern, the Faith Centre, is scheduled to be replaced during the 2021-22 financial year with the existing site to be upgraded for car parking.

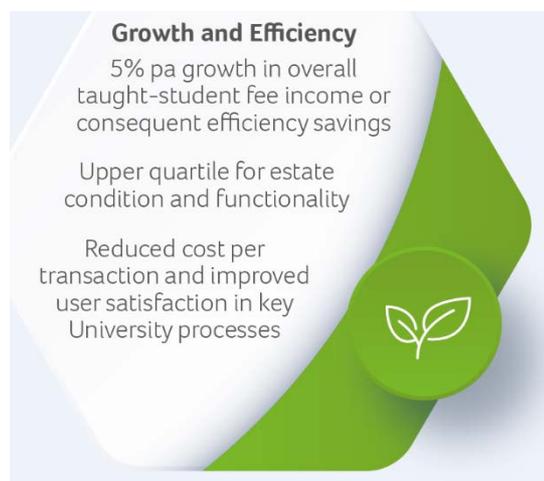


# Digital Strategy

## Strategic Aims



## Key Performance Indicators



## Progress against Strategic Aims

### *KPI- Reduced cost per transaction*

The biennial exercise of measuring the reduced cost per transaction has shown continued improvement in processes and systems. For example, benchmark measures for HR processes show a 63% decrease in transaction costs related to managing annual leave and a 54% decrease in transaction costs associated with managing sickness.

reflecting the rising demand for support in the use of technology across the University. We have retained the 'Proactive Service Desk' status from the Service Desk Institute, which measures various elements of IT operations.

IT successfully introduced a large number of projects enabling all staff and students and key university business and functions to be performed remotely. Some of the key projects delivered include:

## Review of the Year

### *Information Technology Report*

Over the last year, the COVID-19 pandemic has impacted every aspect of business operations, requiring IT to focus on developing robust and agile remote working and learning capabilities. IT pivoted its approach to navigating through today's uncharted waters and adjusting our strategies to thrive in the current pandemic scenario. All of this has resulted in the University accelerating digital transformation at pace across the organisation.

The Service Desk has seen a 35% increase in requests and incident management

- Enabling staff and students to access software and resources remotely through implementation of new solutions and scaling existing solutions with a combined capacity of over 1200 licences with the capacity to increase further based on need.
- Enabling remote teaching and learning for over 53,000 online sessions and 1.4m projected attendees through implementation of Microsoft Teams with a sector-leading comprehensive automated environment, providing seamless access to remote learning for our students and synchronous support mechanisms.

## Digital Strategy

- Enhancing user security through implementation of self service, authentication controls and Advanced Threat Protection.
- Enabling colleagues with remote home working equipment through procurement of over 550 laptops, headsets and other peripherals at a time when the global supply of mobile devices was in severe constraint.
- Supporting 569 students to take advantage of a Digital Bursary Scheme for remote learning through the purchase of laptops.

### *Digital Strategy Projects and KPIs*

Due to the pandemic, effective prioritisation was exercised, pausing some projects whilst ensuring minimal impact on the major strategy-related projects. We have worked hard maintaining the existing systems and infrastructure with an increase in business as usual tasks whilst managing a portfolio of over 41 projects that support the University strategy and aims.

A number of multi-year digital strategy projects have been initiated and many are currently in flight and progressing well.

Digital services satisfaction as measured through the Jisc Digital Insights Survey, shows the institution being above the sector benchmark for student satisfaction (62% compared to 57%), professional services staff satisfaction (86% compared to 78%), academic staff satisfaction (58% compared to 51%) and researcher satisfaction (71% compared to 59%).

There has also been improved satisfaction in key University processes with the exemplar being the booking of annual leave where satisfaction has increased from 18% to 85% whilst the cost per transaction has been reduced by 63% demonstrating the ideal outcome of reduced cost and increased satisfaction.



# Environmental Sustainability

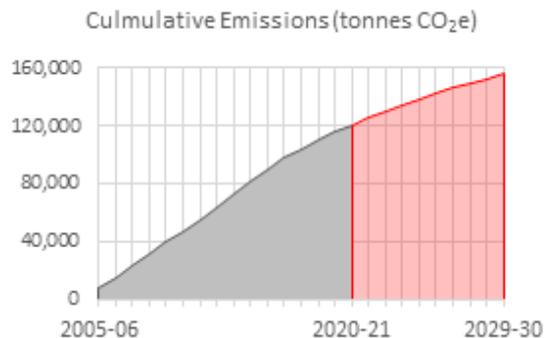
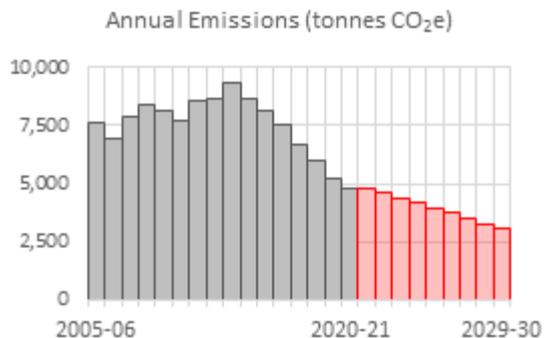


During the year 2020-21 the University has committed to achieving net-zero carbon emissions, for Scopes 1 & 2 (operational activities), by 2030 and Scope 3 (goods and services procured) by 2045.

In November 2020 the University Council approved a new “Carbon neutral strategy: A Ten-Point Plan for the Planet” outlining commitments and actions the University will undertake to address the climate emergency. The 10-point plan and targets within will be reviewed annually accounting for our progress, but also to allow for adjustment of targets based upon the latest guidance and science. To aid in the delivery of the plan the University has revised its Environmental and Sustainability; and Sustainable Travel Policies. The plan and policies may be viewed on our

[sustainability webpages](#).

The University has continued to reduce its emissions for Scopes 1 & 2 in operating its estate with provisional figures of 4,796<sup>1</sup> tonnes CO<sub>2</sub>e in 2020-21, a 9% reduction from the previous year.



It is the University's aim to continue reducing scope 1 & 2 emissions, minimising the need to offset the remainder to achieve carbon neutrality. In line with the Science Based Targets projections for keeping below a 1.5°C increase in global temperatures, the University will aim to operate 'below the curve' even as the campus continues to grow through new building projects such as the new Faith Centre and Health & Well-being Academy. Both these new projects will be constructed with an eye to reducing the energy required to operate them, incorporating renewable energy technologies such as heat pumps,

and solar photovoltaics panels to generate electricity, and removing the need to combust natural gas for heating and hot water. The buildings have also been designed with the well-being of users at the forefront, both inside and out. The [WELL-Building Standard](#) is being applied to both buildings from design through to operation, in addition each project will be required to achieve Energy Performance Certificate 'A' rating, and the Health and Well-Being Academy will achieve BREEAM Excellent.

<sup>1</sup> Finalised figures will be calculated and submitted through the HESA Estates Management Record in early 2022

## Environmental Sustainability



Despite the challenge to complete works during the COVID shutdowns, Estates & Facilities took the opportunity to undertake construction and improvement works including installing 422 Solar Photovoltaic panels on Technology Building which will generate 150,000 kWh of electricity annually.

Upgrades were also completed to the heating systems in Schwann Building. The boilers installed would be the equivalent of approximately 115 medium sized houses<sup>2</sup> and supply heat to over 25% of the University campus. By installing new burners, flues, heat exchangers, and building management system controllers we can now operate efficiently with as low as 1% output from one of the three boilers saving 1000's kWh each day.



The [Sustainability team](#) transitioned the 2021 Green Week online in February 2021 due to COVID restrictions. Events were organised in conjunction with the Huddersfield Students' Union, the School of Applied Sciences, and Art, Design and Architecture. The week was headlined by *The University of Huddersfield's Journey to Net Zero: a panel event*, to launch the Net-Zero 10-point plan, engage with students, staff, and external organisations and to declare our commitment to tackling the climate emergency through our operations, teaching and research. The headline event was developed and delivered in conjunction with third-year events management students from the Huddersfield Business School, continuing a multi-year relationship with the students and module-leaders.

In May 2021 the Sustainability Team delivered "[Women in Sustainability](#)" an online event that brought together five accomplished women who have successfully forged careers in different aspects of sustainable development from research projects to reduce gender-based violence, global disability charities, major corporate consultancy aiding in achieving Net-Zero, SME entrepreneurship, and support for refugees. The aim of the event was to show the significant role women play in sustainability alongside the wealth of opportunities our students have to forge their own career in delivering sustainable development and achieving the UN Sustainable Development Goals.

<sup>2</sup> 2x 1.2MW and 1x 1MW Gas Boilers installed in Schwann, equivalent to 115x 28kW Combi boilers in an average 3-bedroom home.

# Financial Sustainability

## Strategic Aims



**Financial Sustainability**  
Generate sufficient cash to meet strategic investment plans and economic contingency  
Maintain financial strength  
Ensure all Schools and Services maintain financial and operational viability

The infographic features a white hexagonal shape with a yellow base. At the bottom center is a yellow circle containing a white icon of a stack of coins with a pound symbol (£).

## Key Performance Indicators



**Financial Sustainability**  
Minimum 7% of total income as cash generation for sustainability and investment  
Remain in the upper quartile amongst all UK HEIs in the HESA Security Index  
All Schools and Services to deliver a 3% annual underspend against their devolved revenue budgets

The infographic features a white hexagonal shape with a yellow base. At the bottom center is a yellow circle containing a white icon of a stack of coins with a pound symbol (£).

## Progress against Strategic Aims

Our Financial Strategy is integral to the University's Strategy Map 2018-2025 and sets out the broad financial objectives which will underpin the mission, vision and aims of the University and ensure its financial sustainability. A secure financial position is essential for the University's continued academic excellence. All aspects of the financial strategy will be directed as maximising the investment of human and physical resources devoted to the students' Inspiring learning experience, to Innovative research and enterprise; and to building a University of International renown. The University's success in recruiting and retaining students depends upon this investment.

### Key Financial Risks

Assessment of the implications and consequences of potential strategic developments and decisions and management of the associated (including the risk of missed opportunity) is key to the delivery of the University's corporate strategy.

Key financial risks are identified during the annual planning round as part of the risk management cycle and are monitored on a regular basis. This process determines the potential financial impact, likelihood and mitigating actions. Where possible and appropriate, adequate contingencies are built into budgets for cash and surplus so that financial headroom will allow for recovery from downturn or for investment opportunities.

## Financial Sustainability

### *Cash Generation*

The University needs to generate sufficient cash for capital expenditure and to fund its strategic investment plans. The current target is to generate 7% of the University's annual total income in retained cash. Despite a cautious post-pandemic approach to the budget for 2021-22, cash generation is forecast to return to target in subsequent years.

### *Financial Strength*

In order to be able to provide the resources necessary to meet the University's continuing needs on a sustainable basis, the University needs to remain financially strong. The current target, which is achieved, is to remain in the upper quartile of all UK HEIs as measured by the annual

HESA Security Index. This is supplemented by the University's Estate Condition as measured by the proportion of the estate in Condition A and B.

### *Budgetary Norm*

Specific reserves ("carry forward") held by Schools and Services will provide funding for the necessary planned local investment in infrastructure and equipment. In order to replenish those reserves it is currently determined that the target budgetary norm for each School and Service is an annual underspend against their Devolved Revenue Allocation of 3% per annum. This has been achieved in every case other than Music, Humanities and Media, which together with Art, Design and Architecture on 1 August 2021 became the new enlarged School of Arts and Humanities.



# Financial Review of the Year

## Accounting Policies

The University updated its principal accounting policies in 2015/16 following the adoption of FRS102 and there have been no changes of accounting policy in 2020/21. The accounting policies which are critical to interpretation of the results relate to the accounting for our share of the West Yorkshire Pension Fund assets and liabilities under pension obligations (see note 26); a revaluation of land and buildings every 5 years, which last took place in 2020 and significantly increased the value of the University's assets (see note 11); and the recognition of research grant and contract income which is included to the extent that the performance conditions for the receipt of non-government revenue have been complied with and the accrual method is applied to government revenue.

## Results for the year

The University's consolidated income, expenditure and result for the year to 31 July is summarised as follows:

	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
Income	179,482	173,384
Expenditure	(174,735)	(172,576)
Surplus for the year before other gains and tax	4,747	808
Gains/(loss) on investments	9,423	(2,606)
Surplus/(loss)/ before taxation	14,170	(1,798)
Taxation	(47)	14
Surplus/(loss) after taxation	14,123	(1,784)
Actuarial gain/(loss) in respect of pension schemes	40,350	(68,828)
Gain on revaluation	-	88,602
Movement on endowments	10	29
<b>Total comprehensive income for the year</b>	<b>54,483</b>	<b>18,019</b>

The University has recorded a surplus before tax for the year at 7.9% of total income.

Total income increased by 3.5%. Increases in tuition fee income from home and EU students, Funding Council income and research grants.

The underlying staff cost (excluding amounts paid for loss of office) to income ratio increased to 64.5% from 63.5%.

Operating expenses decreased to 23.8% of total income from 27.9%.

# Financial Review of the Year

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Significant statement of financial position movements arose from:

- An increase in cash balances and investments of £38.4m.
- A decrease of £25.0m in the calculation of our pension liabilities (following an increase of £77.1m in the previous year).

Total statement of financial position funds increased by £54m or 20% during the year (following an increase of 7.1% in the previous year).

## Capital Investment

Maintaining capital investment of £10.8m in 2020/21 was critical to the recruitment of our students, their experience whilst they are with us and the delivery of inspirational teaching and learning which is one of the University's key strategic objectives. That investment is funded through our own resources by retaining sufficient surpluses to generate the cash required.

## Cash Flow

The consolidated cash flow statement shows an increase in cash balances of £47.3m before capital expenditure (net of grants received), which was largely the result of cash generated from operating activities. Liquidity at the year-end represented 397 days of expenditure, compared with a sector average of 139 days for 2019/20.

The University has a target for generating sufficient cash to fund its estates and other strategic objectives which was achieved in 2020/21. Our strategy is to pay for estate developments out of current earnings and only to borrow when accelerating the estate strategy would contribute to the achievement of our overall strategic aims.

The University decreased its liquid funds by (£2.0m), cash is invested at low to medium risk and for capital growth rather than income.

## Financial Outlook and Liquidity

The University's financial forecast for the period to July 2026 demonstrates the sustainability of our strategy to retain sufficient surpluses to invest in improving the student experience; at the same time as maintaining liquidity and managing risks to our future financial strength. Over several years, we have retained an additional contingency primarily by generating income growth and containing costs, so that adverse economic conditions can be managed without endangering our underlying surplus. Key Financial Indicators are the level of operating surplus as a percentage of income and staff costs as a percentage of income, the control of which is key to delivering the cash for our strategic needs. Further details on Key Financial Indicators are included below.

## Going Concern

The University has a reasonable expectation that there will be adequate resources to continue in operational existence for the foreseeable future. The draft Financial Forecast for the period to 31 July 2026 to be submitted to the Office for Students before February 2022 demonstrates a return to surpluses within the period of the forecast, with strong cash balances (despite incurring significant capital expenditure) and no debt requirement, based on a conservative set of assumptions for future income and expenditure.

# Financial Review of the Year

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In adopting the going concern basis for preparing the financial statements, the University Council has considered the University's business activities, principal risks and uncertainties in the context of the current operating environment. The business planning cycle has taken account of the continuing impacts of Covid-19 in assessing going concern, which reflect the current business disruption, deterioration in economic conditions and the resulting impact on students and the ability to operate effectively.

The University Council has considered sensitivities in respect of potential downside scenarios and the mitigating actions available in concluding that the University is able to continue in operation for a period of at least twelve months from the date of approving the financial statements. Those sensitivities are designed to model potential scenarios relating to the continuing affect of Covid-19, whereby the University may experience:

- A period of depressed economic activity, with resulting reduction in revenues, and lower new and continuing student enrolments.
- Business disruption on the ability to operate efficiently.
- Delays in the working capital cycle, including the impact of customer failures and delays in customers making contractual payments.

The specific scenarios taking into account the potential impact of Covid-19 and Brexit impact modelled for 2021/22 were as follows:

- Scenario 1: Business as usual. With limited impact from on-going disruption.
- Scenario 2: Nil cash generation. Reflecting disruption to the extent that no cash would be generated in the year.
- Scenario 3: Budgeting for a reduced deficit.

The downside scenarios considered the impact of reduced new student recruitment, lower retention of continuing students, and changes to the targeted surplus as key variables. Although Scenario 2 was adopted for setting the 2021/22 University budget, early indications suggest that the institution will perform better than this scenario.

The University Council, after making enquiries and after undertaking a period of analysis and review, has a reasonable expectation that the University has adequate resources to continue operating as a going concern for the foreseeable future. In particular, Council has taken into consideration cashflow projections from potential continuing disruption with regard to the duration of the Covid-19 and the impact of Brexit. The University has no debt and does not therefore need to concern itself with any potential breaches of covenants.

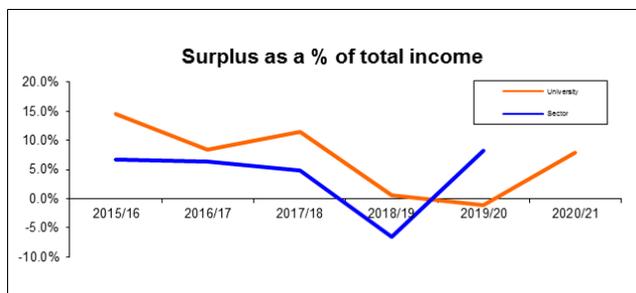
Based on these scenarios and the cash resources available to the University, Council believes that the University has more than sufficient liquidity to manage through a range of different cashflow scenarios over the next 12 months. Given the University's strong liquid position, the going concern basis has been adopted in preparing the Financial Statements.

## Financial Sustainability

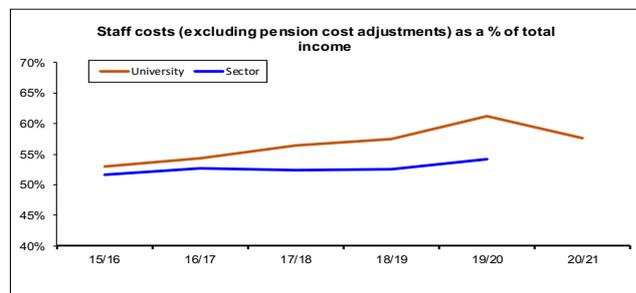
Three of our University KPIs relate directly to financial performance. The following ratios represent some of the Key Financial Indicators which are recognised across the Higher Education Sector and can indicate the financial health of a University relative to its peers. They are shown for the University against the latest published figures for the sector. The University's aim is to be in the upper quartile against each indicator when these statistics are published.

# Financial Review of the Year

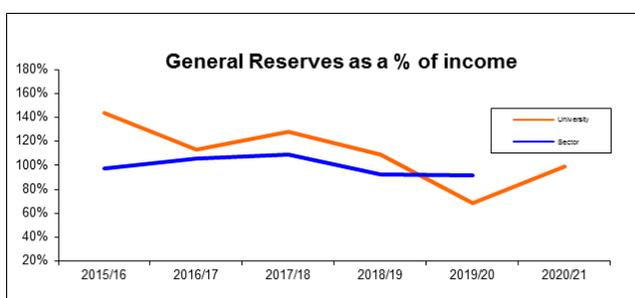
Comparative results for the last 5 years show the following trends:



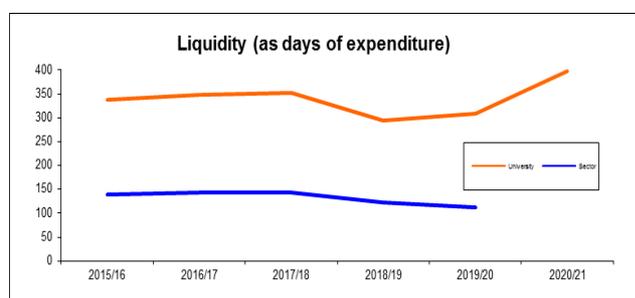
The University's surplus was lower than the sector Average for the first time in 2019/20.



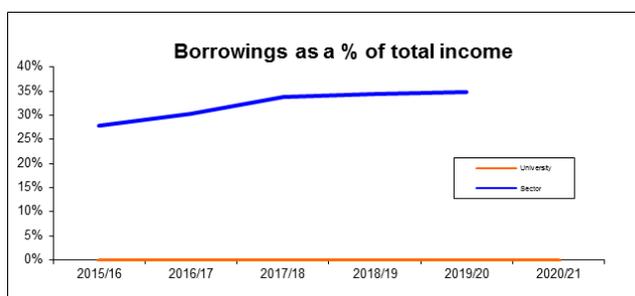
The University's staffing cost as a % of income is above the sector average.



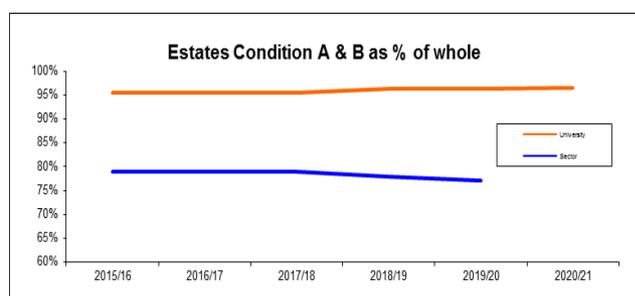
The University's reserves are generally above the average for the sector.



The University generates sufficient cash to meet its strategic needs and its liquid reserves are higher than the sector average.



The University has no borrowings.



Over 90% of the University's estate is now classified as "new" or "sound", demonstrating our continuing commitment to maintain the best facilities for our students.

The University is financially strong and is generating sufficient cash to meet its strategic objectives without borrowings.

## Key Risks

Our risk management processes continue to identify and manage the major strategic and financial risks to the University. These can be broadly categorised as follows:

- cuts in government funding for HE teaching, including changes in policy on tuition fees;
- the open market competitive environment for the recruitment of home, EU and overseas students;
- our ability to recover the full economic cost of our key activities;

# Financial Review of the Year

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- cash limited research funding and its allocation;
- pay and pension costs increasing at a faster pace than our income;
- cyber security
- reduction in on-campus activity in some areas due to continued Covid-19 restrictions; and
- the effect of Brexit on tuition fee income, research grants, staffing, etc.

Our response to these risks has been:

- to create an economic contingency reserve by generating growth, particularly of international tuition fee income;
- to invest in the quality of our staff base;
- robust scenario planning to consider the options available together with an agile decision-making environment;
- to review and refresh our course portfolio;
- to put measures in place to operate safely under Covid-19; and
- the recruitment of world class research academics.

These responses are consistent with the aims under our strategic plan.

Risks are carefully monitored and managed with assurance provided by the Audit Committee. Controls for the risks have been identified and are recorded on the strategic risk register, which is reviewed on a regular basis and updated with the known current events.

The University continues to be diligent in protecting its financial strength, but the economic climate and changes in government policy will create challenges in the years ahead. Our operating environment would change rapidly as a consequence of further reductions in public funding and any decrease in tuition fees. This is against a background of increased competition, particularly for student recruitment and research funding. In the context of pay and pension pressures together with enhanced student expectations, this is a challenging environment for higher education.

### **Disclosure of Information to Auditors**

The Council members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware and each member has taken all the steps that he or she ought to have reasonably taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

### **Insurance for Officers**

During the year the University maintained liability insurance for the members of the University Council.

### **Political and Charitable Contributions**

There were no political or charitable contributions during the year.

# Financial Review of the Year

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## The Trade Unions

The Trade Unions (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on trade union facility time annually. Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake TU duties and activities as a TU representative. For the period 1 April 2020 to 31 March 2021 the total number of employees who were relevant union officials during the relevant period was 18 (13.85 FTE). These employees spent between 1-50% of their working hours on facility time at a total cost of £39,804.48 representing 0.035% of the total pay bill for the period. The time spent on paid trade union activities as a percentage of total paid facility time hours calculated was 65.14%.

## Payment of Creditors

The University is fully committed to the prompt payment of its suppliers' bills and is a signatory of the Confederation of British Industry's Prompt Payment Code. The University aims to pay bills in accordance with agreed contractual conditions or, where no such conditions exist, within 30 days of receipt of goods or services or the presentation of a valid notice, whichever is the later. The average number of days taken to clear invoices in 2020/21 was 18 days (2019/20: 24 days).

# Corporate Governance Statement

The University is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the Members of Council, the University complies with the Higher Education Code of Governance (“the Code”) which was re-issued by the Committee of University Chairs (CUC) in 2021 and has complied throughout the year ended 31 July 2021. The following information is to help the reader of the accounts understand how the principles of corporate governance have been applied.

The University commissioned an external review of its governance arrangements in 2019 and has undertaken annual internal reviews subsequent to this, which have demonstrated compliance with the former Code. The University will be commissioning a further external review of effectiveness in 2022.

## COUNCIL

The members who served on the Council during the year are listed in the Table below:

	Date of Appointment	Date of Retirement or End of Initial Term of Office	Committees Served
<b>External Members</b>			
Mr J H Thornton	1 January 2006	31 July 2022	Chair of Council Member of Estates and Finance Committee Chair of Governance & Membership Committee Member of Honorary Awards Committee Member of Senior Post Holder Remuneration and Chair of Senior Staff Remuneration Advisory Committees
Mr B Ainsworth	1 August 2019	31 July 2022	Estates and Finance Committee
Mr R Cox	1 August 2018	31 July 2021	Audit Committee
Mr R Davies	14 February 2019	31 July 2022	Audit Committee
Mr M Fisher	30 March 2006	31 July 2021	Chair of Estates and Finance Committee
Mrs V Lloyd	3 July 2014	31 July 2023	Governance and Membership Committee Honorary Awards Committee
Ms T Magennis	1 August 2019	31 July 2022	Senior Post Holder Remuneration and Senior Staff Remuneration Advisory Committees
Baroness K Pinnock	1 August 2016	31 July 2022	Audit Committee Governance & Membership Committee Honorary Awards Committee Chair of Senior Post Holder Remuneration Committee
Professor I Pollock-Hulf	1 August 2015	31 July 2021	Estates and Finance Committee
Mrs H Thomson	16 November 2010	31 July 2021 31 July 2022	Chair of Audit Committee Senior Post Holder Remuneration and Senior Staff Remuneration Advisory Committees
Mr D Beverley	1 August 2020	31 July 2023	Estates and Finance Committee
<b>Co-opted Members</b>			
Professor T Thornton	1 August 2015	Ex-officio	Estates and Finance Committee Governance & Membership Committee Honorary Awards Committee Senate
<b>Members Nominated by Senate (Teaching Staff)</b>			
Ms J Malay	25 November 2020	31 July 2023	Honorary Awards Committee Senate
Professor P Bissell	1 August 2020	31 July 2022	Senate
<b>Members Nominated by Senate (Admin Staff)</b>			
Mr K Pillicudale	25 November 2020	31 July 2023	Senate
<b>Student Member</b>			
Mr A Opankunle	3 July 2020	Ex-officio	Honorary Awards Committee Governance & Membership Committee Senate
<b>Vice-Chancellor and Principal</b>			
Professor R A Cryan	1 January 2007	Ex-officio	Chair of Honorary Awards Committee Estates and Finance Committee Governance & Membership Committee Senior Staff Remuneration Advisory Committee Chair of Senate

# Corporate Governance Statement

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The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the CUC Higher Education Code of Governance.

The University was established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Instrument and Articles of Government which were adopted by the University Council on 20 December 1996. The current version of the Articles was approved by the Privy Council on 10 January 2012 and came into effect on 22 February 2012. The Articles require the University to have a Council and a Senate each with clearly defined functions and responsibilities, to oversee and manage its activities.

The University Council is the governing body, responsible for the finance, property and staffing of the University. It is specifically required to determine the educational character and mission of the University and to set its general strategic direction.

The Council has a majority of external members. The University Council Terms of Reference requires the Chair of the Council to be elected from the external members. There is also provision for the appointment of co-opted members, some of whom may be members of the staff of the University and for representatives of the staff and of the student body. Members of the Council do not receive any remuneration for the work which they do for the Council.

Subject to the overall responsibility of the University Council, the Senate has responsibility for the academic affairs of the University and draws its membership entirely from the staff and the students of the University. It is particularly concerned with issues relating to the academic governance of the University.

The Chief Executive is the Vice-Chancellor who has responsibility to the University Council for the organisation, direction and management of the University. Under the Office for Students (OfS) terms and conditions of funding for Higher Education Institutions, the Vice-Chancellor is the accountable officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

It is the Council's responsibility to bring independent judgement to bear on issues of strategy, performance resources and standards of conduct.

The Council is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, quality matters and staff-related matters such as health and safety and compliance issues.

Although the Council meets at least three times each year, much of its detailed work is initially handled by committees, in particular the Governance and Membership Committee, the Senior Post Holder Remuneration Committee, the Senior Staff Remuneration Advisory Committee, the Estates and Finance Committee and the Audit Committee. The decisions of these Committees are formally reported to the Council. A brief description of their responsibilities is set out below:

The Governance and Membership Committee makes recommendations for effective governance arrangements and the appointment of University Council and Committee members.

# Corporate Governance Statement

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The Senior Post Holder Remuneration Committee's remit is to establish and review the processes for reviewing the remuneration of the Vice-Chancellor and the University Secretary, whilst the Senior Staff Remuneration Advisory Committee is responsible for reviewing the remuneration of senior staff contract holders.

The Estates and Finance Committee provides detailed scrutiny of the University's financial performance and capital planning for estate and digital investment priorities. The Committee gives this scrutiny throughout the year and is part of an overall governance framework working alongside other committees of Council.

The Audit Committee meets four times a year with the University's external and internal auditors in attendance. It establishes and reviews procedures for auditing the University's activities. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plan. It provides oversight of the University's risk management procedures. It also receives and considers reports from the OfS as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee, as necessary, they are not members of the Committee. Once a year the Committee meets the internal and external auditors for private discussions, without any members of University staff in attendance.

A significant proportion of the membership of these committees consists of external and co-opted members of the Council, including staff and student members where this is permissible.

All Council members are able to take independent professional advice in furtherance of their duties at the University's expense. In accordance with the Articles of Government of the University, Council members have access to the University Secretary who acts as Clerk to the Council. The University Secretary is responsible to the Council for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Secretary are matters for the University Council as a whole.

Formal agendas, papers and reports are supplied to Council members in a timely manner, prior to Council meetings. Briefings on a wide-range of topics are also provided on an ad-hoc basis.

The University Council has a strong and independent non-executive element and no individual or group dominates its decision-making processes. The Council considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

As Chief Executive, the Vice-Chancellor exercises considerable influence upon the development of University strategy, the identification and planning of new developments and the shaping of the University ethos. The Deputy Vice-Chancellor, the Pro Vice-Chancellors and the senior administrative and academic officers all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice-Chancellor.

The University maintains a Register of Interests of Members of the Council and the University's Senior Leadership Team which may be viewed by arrangement with the University Secretary. Full minutes of all meetings, except those deemed to be confidential by the University, are available from the University Secretary at The University of Huddersfield, Queensgate, Huddersfield, HD1 3DH.

# Corporate Governance Statement

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## STATEMENT ON INTERNAL CONTROL

As the governing body of the University, the University Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible.

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

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

The University's objectives, its internal organisation and the environment in which it operates are continually evolving and, as a result, the risks it faces are continually changing, although the current key risks (foremost of which are changes in government policy, the achievement of student recruitment targets and the ongoing pandemic) are likely to remain the major causes of concern. The University's internal control systems (on finance, planning, resource management etc.) have enabled managers to manage and to appropriately control the risks. However, if progress is to be made in an increasingly competitive environment, then the University cannot expect to be risk-free.

The University's internal control systems and their associated procedures are aimed at:

- safeguarding the University's assets, limiting its liabilities and ensuring the appropriate use of public funds;
- facilitating effective and efficient operation of the University by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the University's objectives;
- ensuring the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the University; and
- ensuring compliance with applicable laws and regulations and also with internal policies with respect to the conduct of business.

The internal control system provides the framework in which the University operates. It includes:

- mechanisms for the control of activities;
- appropriate information and communication processes; and
- processes for monitoring the continuing effectiveness of the University's control of its activities.

The internal control system used to manage risk will continue:

- to be embedded within the operation of the University, forming an integral part of its culture. It should be viewed as a continuum, a constant checking of the radar for trouble ahead;
- to be capable of responding quickly to evolving risks to the University arising from factors within the University and to changes in the external environment;

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# Corporate Governance Statement

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- to include a reporting culture in which any failings or weaknesses in the control systems are reported to appropriate levels of management and corrective action duly taken - i.e. embedding a culture in which the second person to know about a failure is the line manager of the discoverer; and
- to be the ultimate responsibility of the Vice-Chancellor with operational responsibility devolved to the University's Senior Leadership Team.

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

- a) Council meets regularly to consider the plans and strategic direction of the University.
- b) Council receives feedback from the Audit Committee on matters of internal control considered and debated by the Audit Committee. Council is routinely informed and consulted on key business decisions, the risks associated with them and the proposed management approach. Systems have been established to report risk to Council more explicitly in the form of the corporate risk register and as part of the financial forecasts.
- c) Council has established the University's Senior Leadership Team as the University's risk committee, charged with reviewing and updating the corporate risk register. The Audit Committee provides oversight of the processes involved.
- d) The Audit Committee receives regular reports from the internal audit service, which includes its independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
- e) At a corporate level, risks are identified and discussed by the Senior Leadership Team, informed by formal and informal information flows between management, groups, committees and staff. The Senior Leadership Team reviews and where appropriate updates the corporate risk register. Guidance has been issued to Schools and Services which encourages their management teams to consider the key risks their areas face. The Senior Leadership Team explores and considers the risks identified by Schools and Services as part of the annual planning round.
- f) Risk awareness is raised through:
  - Risk being incorporated within the Management Development Programme and staff induction courses;
  - The planning and contextual documentation which is provided to Deans and Directors offering risk management guidance and being supplemented by discussions during the planning round; and
  - Deans and Directors discussing risk with their management teams during the planning round.
- g) Risks are linked to the key corporate objectives for which detailed key performance indicators have been derived.
- h) Risks have been prioritised on the basis of likelihood and impact. This assessment has been made both before and after considering the internal controls in place. The Senior Leadership Team has considered the risk priorities in order to distil the corporate risk register.
- i) An organisation-wide risk register is maintained. This is further informed by the risk registers completed by Schools and Services which are presented to Senior Leadership Team as part of the planning round.
- j) Council receives reports and updates on key risks and their management as part of routinely scheduled Council and Committee business.

The University Council's review of the effectiveness of the system of internal control is informed by the internal audit service, which operates to standards defined in the OfS Terms and Conditions of Funding. The internal auditors submit regular reports which include their independent opinion on

# Corporate Governance Statement

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the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

Council's 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.

The University Council has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that has been in place for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts, that it is regularly reviewed by the University Council and that it accords with the internal control guidance for governing bodies in the HE Code of Governance, which was re-issued by the CUC in 2020.

## STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY COUNCIL

In accordance with the University's Articles of Government, the Council of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The University Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's Articles of Government, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and other relevant accounting standards.

The Council is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

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

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The University Council is also required to prepare an Operating and Financial Review which describes what it is trying to do and how it is going about it, including the legal and administrative status of the University.

# Corporate Governance Statement

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The University Council has taken reasonable steps to:

- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS;
- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
- ensure an effective framework – overseen by the University's senate, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards.

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

The Council confirm that:

- so far as each Member is aware, there is no relevant audit information of the University's auditor is unaware; and
- the Council have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short term planning process, supplemented by annual budgets;
- regular reviews of business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with capital expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the University Council; and
- an independent Internal Audit team whose annual programme is approved by the Audit Committee on behalf of the University Council and whose head provides the University Council with an annual report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

# Corporate Governance Statement

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Any system of internal financial control can, however, only provide reasonable but not absolute assurance against material mis-statement or loss.

## AUDITORS

A resolution to appoint KPMG as external auditor will be put to the University Council Meeting on 24 November 2021.

Mr J Thornton  
Chair  
30 November 2021

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# Independent Auditor's Report to Council

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## Opinion

We have audited the financial statements of the University of Huddersfield (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2021, which comprise the statement of principal accounting policies, the consolidated and University statement of comprehensive income, the consolidated and University statement of changes in reserves, the consolidated and University balance sheet, the consolidated statement of cash flows and notes to the financial statements. 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 parent university's affairs as at 31 July 2021 and of the group's and the parent university's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

## 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 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

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent university to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's and the parent university's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's and the parent university's financial resources or ability to continue operations over the going concern period.

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# Independent Auditor's Report to Council

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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 and the parent 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.

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

The responsibilities of the Council with respect to going concern are described in the 'Responsibilities of the Council for the financial statements' section of this report.

## Other information

The Council are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 55, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Office for Students ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the parent university for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England and the Department for Education) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

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# Independent Auditor's Report to Council

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## Responsibilities of Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council 54, the Council is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council 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 Council are responsible for assessing the group's and the parent university's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent 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.

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

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent university, and the sector in which it operates. We determined that the following laws and regulations were most significant;
  - financial reporting legislation (FEHE SORP 2019, United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 and the OfS Accounts Direction (October 2019));
  - regulatory environment (including the OfS framework and relevant OfS regulatory notices);
  - legal framework and the Royal Charter and its supporting Statutes; and
  - the Higher Education Code of Governance published by the CUC.

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## Independent Auditor's Report to Council

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The engagement team remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit;

- We understood how the group and parent university is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
  - The group and parent university's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
  - The group and parent university's control environment including the adequacy of procedures for authorisation of transactions
- We assessed the susceptibility of the group and parent university's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing related party transactions; and
  - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the group and parent university operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

From the procedures performed we did not identify any material matters relating to non-compliance with laws and regulations or matters in relation to fraud.

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# Independent Auditor's Report to Council

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## Use of our report

This report is made solely to the University's Council, as a body, in accordance with paragraph 9 of the university's articles of government. Our audit work has been undertaken so that we might state to the university's Council those matters we are required to state to it 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 Council as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Sheffield  
30 November 2021

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# Statement of Principal Accounting Policies

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements except as noted below.

## Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2020 and in accordance with Financial Reporting Standard FRS102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

The financial statements are presented in sterling (£'000).

## Going concern

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the operating and financial review which forms part of the Report of the University Council. The report of the University Council also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities. The Board of Governors has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The University Council has considered the University's business activities, principal risks and uncertainties in the context of the current operating environment. The business planning cycle has taken account of the continuing impacts of Covid-19 in assessing going concern, which reflect the current business disruption in some areas, deterioration in economic conditions and the resulting impact on students and the ability to operate effectively.

The University Council has considered sensitivities in respect of potential downside scenarios and the mitigating actions available in concluding that the University is able to continue in operation for a period of at least twelve months from the date of approving the financial statements. Those sensitivities are designed to model potential scenarios relating to Covid-19, whereby the University may experience:

- A period of depressed economic activity, with resulting reduction in revenues, and lower new and continuing student enrolments.
- Business disruption on the ability to operate efficiently.
- Delays in the working capital cycle, including the impact of customer failures and delays in customers making contractual payments.

The specific scenarios taking into account the potential impact of Covid-19 and Brexit impact modelled for 2021-22 were as follows:

- Scenario 1: Business as usual. With limited impact from on-going disruption.
- Scenario 2: Nil cash generation. Reflecting disruption to the extent that no cash would be generated in the year.
- Scenario 3: Budgeting for a deficit.

The downside scenarios considered the impact of reduced new student recruitment, lower retention of continuing students, and changes to the targeted surplus as key variables. Although Scenario 2 was adopted for setting the 2021-22 University budget, early indications suggest that the institution will perform better than this scenario.

# Statement of Principal Accounting Policies

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The University Council, after making enquiries and after undertaking a period of analysis and review, has a reasonable expectation that the University has adequate resources to continue operating as a going concern for the foreseeable future. In particular, Council has taken into consideration cashflow projections from potential continuing disruption with regard to the duration of the Covid-19 and the impact of Brexit. The University has no debt and does not therefore need to concern itself with any potential breaches of covenants.

Based on these scenarios and the cash resources available to the University, Council believes that the University has more than sufficient liquidity to manage through a range of different cashflow scenarios over the next 12 months. Given the University's strong liquid position, the going concern basis has been adopted in preparing the Financial Statements.

### Exemptions under FRS 102

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

### Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over its policy decisions.

### Income recognition

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

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying or when it becomes non-refundable. 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 gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is period in which students are studying, or where relevant, when performance conditions have been met. Investment and cash income are credited to the Statement of Income and Expenditure on a receivable basis.

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

### Grant funding

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

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# Statement of Principal Accounting Policies

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Revenue and capital grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the statement of financial position and released to income as the conditions are met.

## Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the university is entitled to the funds subject to any performance related conditions being met.

## Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates and the resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

## Pension schemes

Retirement benefits for most employees of the University are provided by the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the West Yorkshire Pension Fund (WYPF). These are defined benefit schemes.

The TPS is a multi-employer defined benefit scheme which is unfunded requiring the University to pay a contribution to central government reflecting benefits earned during the year. It has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Therefore, it has been treated as though it is a defined contribution scheme. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

The assets of the WYPF are measured using closing market values. WYPF liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Further details of the pension schemes are given in Note 26.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by FRS102, the University accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the University has now entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the University also now 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 in the income and expenditure account.

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# Statement of Principal Accounting Policies

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## Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the statement of financial position using the enhanced pension spreadsheet provided by the ESFA.

## Employment benefits

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

## Tangible fixed assets

### a. Land and buildings

The University's land and buildings are stated at valuation, unless acquired since the latest revaluation date in which case stated at cost. The University adopts a revaluation policy in relation to freehold and long leasehold land and buildings on a five year cycle or at an earlier date if there are indications that the valuation has materially changed. Increases in value are taken to the revaluation reserve except to the extent that they reverse revaluation losses on the same asset that were previously recognised in the income and expenditure account, in which case they are recognised in the income and expenditure account. Freehold and long leasehold land is not depreciated. Freehold and long leasehold buildings are depreciated over their expected useful economic lives to the University of 50 years for new build and existing buildings per the valuation for the year ending 31 July 2020. Short leasehold land is depreciated over the lives of leases. Capital additions are depreciated in full in the year of acquisition and none in the year of disposal. Component accounting has been applied to new build assets in order to recognise that elements of an asset have different useful economic lives and therefore a new category of plant and machinery has been introduced with a depreciation rate of 25 years.

The University's inherited assets from the local authority have been brought onto the statement of financial position at valuation at the date of transfer with the corresponding credit taken to the revaluation reserve. The inherited assets and the related revaluation reserve have been adjusted by subsequent revaluations.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

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

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# Statement of Principal Accounting Policies

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b. Equipment

Equipment costing less than £25,000 is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. As part of component accounting, the University has a plant and machinery category which was included in the revaluation exercise carried out by Eddisons, the external property valuers, on 2 July 2020 for the year ending 31 July 2020. This is included in equipment and is applied only to new builds in relation to the elements of the asset which are deemed to have a shorter useful economic of life. Capitalised equipment is depreciated over its useful economic life as follows:

Computer equipment	Three Years
Motor vehicles	Four Years
General equipment	Seven Years
Plant and machinery	Twenty Five Years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to income and expenditure account over the expected useful economic life of the related equipment.

c. Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; and
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

d. Impairment of assets

At each 31 July fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indication. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

### Leased assets

Costs in respect of operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

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# Statement of Principal Accounting Policies

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## Investments

Fixed asset investments are unlisted shares. As there is no ready market value they have been recorded at cost.

Current asset investments consisting of unit-based investments and deposits are held at market value.

## Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is a charity within the meaning of the Finance Act 2010, Schedule 6. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Paragraph 11 of CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax and all non-recoverable Value Added Tax on purchases is included within the appropriate expenditure headings.

The University's subsidiary companies are subject to corporation tax and Value Added Tax in the same way as any commercial organisation.

## Provisions

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

## Accounting for charitable donations

### a. Unrestricted donations

Charitable donations are recognised as income when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

### b. Endowment funds

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:

1. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
  2. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and the University can convert the donated sum into income.
  3. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.
- c. Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the statement of financial position as a deferred capital grant. The deferred capital grant is released to the income

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# Statement of Principal Accounting Policies

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and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

## Cash flows and cash equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments, however liquid, are included as cash.

Liquid resources comprise assets held as readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

## Reserves

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

## Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

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

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

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

## Financial liabilities

Basic financial liabilities include trade and other payables and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a

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# Statement of Principal Accounting Policies

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market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

## Significant accounting estimates

Preparation of the financial statements requires management to make significant estimates. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### a. Estimates in pension costs

The University has obligations to pay pension benefits to certain employees who are members of the West Yorkshire Pension Fund (WYPF), a scheme accounted for as a defined benefit plan. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations, the duration of liabilities and the discount rate on corporate bonds.

Annually the Institution engages independent actuaries to calculate the obligation for the WYPF. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of the fund's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Institution's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Within the LGPS scheme, details for which are set out in note 26 the valuers have reported the property fund's valuation as subject to 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to the valuation of property funds than would normally be the case. Management have concluded that, on the basis that the value of pension assets held in property at 31 July 2021 is not material in the context of overall pension assets and the fact that pension assets, including property, are invested for long-term gains, the uncertainty reported by property valuers does not have a material impact on these financial statements.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically)

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## Statement of Principal Accounting Policies

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an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements. As the Institution is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2037. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 26.

The University has committed to contribute to a deficit recovery plan for the scheme and management has calculated a provision for these costs in the statement of financial position. The present value of the obligation depends on a number of factors including life expectancy, salary increases, staff changes, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using external professional advice, in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

b. Estimates in depreciation

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Depreciation methods, useful economic lives and residual values are reviewed by management at the date of preparation of each Statement of financial position. They are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. For new buildings an estimation is included for the split of components into three elements; building, plant and machinery and fit-out. The assessment of these factors requires management's judgement.

c. Estimates in fixed assets

It is noted that the market values of the properties for an alternative use (on cessation of the existing business) are likely to be materially lower than the Fair Value, market value with continued use and depreciated replacement cost figures reported. Additionally, the ongoing Covid-19 pandemic has effectively stalled the property market and Eddisons, the external property valuers, valuation is based on market evidence available immediately prior to the pandemic. The DRC basis of valuation is not a market assessment and should not be relied on as such for any potential disposal assessment or for security purposes. The University management does not view this as a significant risk due to the planned continuation and existing strength of the University's business.

### Accruals and provisions

Short term employee benefits are charged to the Statement of Comprehensive Income and Expenditure as the employee service is received. An accrual is made for the cost of paid annual leave that has not been used at the financial year-end. The accrual requires a calculation of

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# Statement of Principal Accounting Policies

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outstanding holiday balances based on a review of holiday records of academic, administrative and other staff. The assessment of this data requires management's judgement.

## Significant accounting judgements

Preparation of the financial statements requires management to make significant judgements. Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### a. Judgements in classifying leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leases in which the University does not assume substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Management exercises judgement in classifying its leases for accounting purposes.

### b. Judgements in fixed assets

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University from the asset beyond its previously assessed standard of performance. Management determine whether to capitalise fixed asset costs based on an assessment of whether they meet one of the following criteria: the market value of the fixed asset has subsequently improved; the asset's capacity increases; substantial improvement in the quality of output or reduction in operating costs; and significant extension of the asset's life beyond that conferred by repairs and maintenance. The assessment of these factors requires management's judgement.

The land and buildings of the University are revalued on a five year cycle using external professional advice. As at 2 July 2020, for the year ended 31 July 2020, Eddisons, the external property valuers, provided a valuation on the basis of Fair Value by using the depreciated replacement cost (DRC) approach, which is subject to the prospect and viability of the continued occupation and use. This is the standard approach for this type of property which is not traded on the open market, due to the buildings being specialised and purpose built for educational purposes. The Estate has been valued in accordance with RICS Valuation – Professional Standards July 2017 incorporating IVSC Valuation Standards. The Valuation is in line with the requirements set out in FRS15, FRS102 and FReM Guidelines.

### c. Judgements in income recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

# Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	139,663	139,654	134,679	134,655
Funding body grants	2	17,501	17,501	16,042	16,042
Research grants and contracts	3	13,553	13,037	11,499	10,611
Other income	4	6,172	4,734	8,214	7,050
Investment income	5	2,593	2,641	2,949	2,995
Donations and endowments	6	-	-	1	1
<b>Total income</b>		<b>179,482</b>	<b>177,567</b>	<b>173,384</b>	<b>171,354</b>
<b>Expenditure</b>					
Staff costs	7	116,144	114,881	112,198	110,796
Other operating expenses	9	42,804	42,351	46,799	46,220
Depreciation	11	13,198	13,110	9,730	9,642
Impairment costs	11	-	-	1,578	1,578
Interest and other finance costs	8	2,589	2,589	2,271	2,271
<b>Total expenditure</b>		<b>174,735</b>	<b>172,931</b>	<b>172,576</b>	<b>170,507</b>
<b>Surplus for year before other gains</b>		<b>4,747</b>	<b>4,636</b>	<b>808</b>	<b>847</b>
Gain/(loss) on investments		9,423	9,423	(2,606)	(2,606)
<b>Surplus/(loss) before taxation</b>		<b>14,170</b>	<b>14,059</b>	<b>(1,798)</b>	<b>(1,759)</b>
Taxation	10	(47)	-	14	-
<b>Surplus/(loss) for the year after taxation</b>		<b>14,123</b>	<b>14,059</b>	<b>(1,784)</b>	<b>(1,759)</b>
<b>Other comprehensive income</b>					
Actuarial gain/(loss) in respect of pension schemes	26	40,350	40,350	(68,828)	(68,828)
Unrealised surplus on revaluation		-	-	88,602	88,602
Movement on endowments	20	10	10	29	29
<b>Total comprehensive income/(loss) for the year</b>		<b>54,483</b>	<b>54,419</b>	<b>18,019</b>	<b>18,044</b>
Represented by:					
Endowment comprehensive income for the year		10	10	29	29
Restricted comprehensive income for the year		(40)	1	(276)	(228)
Unrestricted comprehensive income for the year		54,513	54,408	(18,266)	(18,243)
<b>Attributable to the University</b>		<b>54,483</b>	<b>54,419</b>	<b>18,019</b>	<b>18,044</b>

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 42 to 91 form part of these financial statements.

# Consolidated Statement of Changes in Reserves

	Income and expenditure reserve		Unrestricted £'000	Revaluation reserve £'000	Total £'000
	Endowment £'000	Restricted £'000			
<b>Consolidated Statement of Changes in Reserves</b>					
<b>Consolidated</b>					
<b>Balance at 1 August 2019</b>	2,669	287	184,943	65,339	253,238
Surplus/(deficit) from the income and expenditure statement	-	(276)	(1,508)	-	(1,784)
Other comprehensive income	-	-	(68,828)	-	(68,828)
Unrealised gain on revaluation	-	-	-	88,602	88,602
Transfers between revaluation and income and expenditure reserve	-	-	1,659	(1,659)	-
Endowment funding	29	-	-	-	29
<b>Total comprehensive income for the year</b>	29	(276)	(68,677)	86,943	18,019
<b>Balance at 1 August 2020</b>	2,698	11	116,266	152,282	271,257
Surplus/(deficit) from the income and expenditure statement	-	(40)	14,163	-	14,123
Other comprehensive income	-	-	40,350	-	40,350
Transfers between revaluation and income and expenditure reserve	-	-	4,572	(4,572)	-
Endowment funding	10	-	-	-	10
<b>Total comprehensive income for the year</b>	10	(40)	59,085	(4,572)	54,483
<b>Balance at 31 July 2021</b>	2,708	(29)	175,351	147,710	325,740
<b>University</b>					
<b>Balance at 1 August 2019</b>	2,669	287	184,943	65,339	253,238
Surplus/(deficit) from the income and expenditure statement	-	(276)	(1,508)	-	(1,784)
Other comprehensive income	-	-	(68,828)	-	(68,828)
Unrealised gain on revaluation	-	-	-	88,602	88,602
Transfers between revaluation and income and expenditure reserve	-	-	1,659	(1,659)	-
Endowment funding	29	-	-	-	29
<b>Total comprehensive income for the year</b>	29	(276)	(68,677)	86,943	18,019
<b>Balance at 1 August 2020</b>	2,698	11	116,266	152,282	271,257
Surplus/(deficit) from the income and expenditure statement	-	(40)	14,163	-	14,123
Other comprehensive income	-	-	40,350	-	40,350
Transfers between revaluation and income and expenditure reserve	-	-	4,572	(4,572)	-
Endowment funding	10	-	-	-	10
<b>Total comprehensive income for the year</b>	10	(40)	59,085	(4,572)	54,483
<b>Balance at 31 July 2021</b>	2,708	(29)	175,351	147,710	325,740

The consolidated statement of changes in reserves has been compiled in accordance with the accounting policies of the University.

# Consolidated and University Statement of Financial Position

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	11	370,887	370,668	373,306	372,999
Investments	12	32	82	32	82
		<b>370,919</b>	<b>370,750</b>	<b>373,338</b>	<b>373,081</b>
<b>Current assets</b>					
Trade and other receivables	14	14,802	15,851	14,355	15,171
Investments	15	94,097	94,097	53,680	53,680
Cash and cash equivalents	21	81,572	81,258	83,584	83,497
		<b>190,471</b>	<b>191,206</b>	<b>151,619</b>	<b>152,348</b>
Less: Creditors: amounts falling due within one year	16	(40,551)	(40,760)	(32,838)	(32,890)
<b>Net current assets</b>		<b>149,920</b>	<b>150,446</b>	<b>118,781</b>	<b>119,458</b>
<b>Total assets less current liabilities</b>		<b>520,839</b>	<b>521,196</b>	<b>492,119</b>	<b>492,539</b>
Creditors: amounts falling due after more than one year	17	(30,055)	(30,055)	(30,850)	(30,850)
<b>Provisions</b>					
Pension provisions	18	(165,044)	(165,044)	(190,012)	(190,012)
<b>Total net assets</b>		<b>325,740</b>	<b>326,097</b>	<b>271,257</b>	<b>271,677</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment	20	2,708	2,708	2,698	2,698
Income and expenditure reserve - restricted		(29)	(171)	11	(173)
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		175,351	175,850	116,266	116,870
Revaluation reserve		147,710	147,710	152,282	152,282
<b>Total Reserves</b>		<b>325,740</b>	<b>326,097</b>	<b>271,257</b>	<b>271,677</b>

The financial statements on pages 61 to 91 were approved by the University Council on 24 November 2021 and were signed on its behalf by:

PROFESSOR R A CRYAN, CBE  
Vice-Chancellor

MR J THORNTON  
Chair

# Consolidated Statement of Cash Flows

	Notes	31 July 2021 £'000	31 July 2020 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year before taxation		14,170	(1,798)
<b>Adjustment for non-cash items</b>			
Depreciation	11	13,198	9,730
Gain on investment		(9,423)	2,606
Decrease in debtors		(422)	1,353
(Decrease)/increase in creditors		3,589	(523)
Write down on revaluation		-	1,579
Increase in pension provision		15,382	8,295
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(2,593)	(2,949)
Taxation	10	(47)	14
Endowment income		-	(1)
Capital grant income		1,408	(4,013)
<b>Net cash inflow from operating activities</b>		<b>35,262</b>	<b>14,293</b>
<b>Cash flows from investing activities</b>			
Capital grant receipts		1,921	7,145
Withdrawal of deposits		(30,982)	(2,032)
Investment income		2,566	2,914
Payments made to acquire fixed assets		(10,779)	(15,800)
New deposits		-	1
		<b>(37,274)</b>	<b>(7,772)</b>
<b>Cash flows from financing activities</b>			
Endowment cash received		-	1
		-	1
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>(2,012)</b>	<b>6,522</b>
Cash and cash equivalents at beginning of the year	21	83,584	77,062
Cash and cash equivalents at end of the year	21	81,572	83,584

# Notes for the Financial Statements

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>1 Tuition fees and education contracts</b>				
<b>Taught awards</b>				
Full-time home and EU students	98,799	98,799	97,057	97,057
Full-time international students	30,282	30,282	29,027	29,027
Part-time students	3,297	3,297	3,378	3,378
NHS Workforce Development Confederation Contracts	2,121	2,121	1,033	1,033
Educational Contracts	4,112	4,112	2,997	2,997
<b>Non-qualifying</b>				
Research Training Support Grant	114	114	127	127
Non Credit Bearing Course Fees	938	929	1,060	1,036
	<b>139,663</b>	<b>139,654</b>	<b>134,679</b>	<b>134,655</b>
<b>2 Funding body grants</b>				
<b>Recurrent grant</b>				
Office for Students	7,465	7,465	7,553	7,553
UK Research and Innovation	6,436	6,436	6,108	6,108
<b>Specific grants</b>				
Higher Education Innovation Fund	1,436	1,436	1,296	1,296
Office for Students Other	-	-	-	-
Department for Education	325	325	185	185
Capital grant	1,839	1,839	900	900
	<b>17,501</b>	<b>17,501</b>	<b>16,042</b>	<b>16,042</b>
Income from capital grants includes £1,839k in respect of capital grants released in the year (2019/20: £900k)				
<b>3 Research grants and contracts</b>				
Research councils	7,039	7,039	4,818	4,818
Research charities	590	575	849	812
Government (UK and overseas)	3,703	3,582	3,003	2,936
Industry and commerce	2,107	1,732	2,732	1,948
Other	114	109	97	97
	<b>13,553</b>	<b>13,037</b>	<b>11,499</b>	<b>10,611</b>
Income from capital grants includes £1,112k in respect of capital grants released in the year (2019/20: £882k)				
<b>4 Other income</b>				
Other services rendered	4,518	2,629	3,045	1,671
Catering and conferences	96	97	1,021	979
Other capital grants	470	470	565	565
Coronavirus job retention scheme	438	420	1,156	1,126
Other income	650	1,118	2,427	2,709
	<b>6,172</b>	<b>4,734</b>	<b>8,214</b>	<b>7,050</b>
Income from capital grants includes £470k in respect of capital grants released in the year (2019/20: £564k)				
<b>The source of grant and fee income, included in notes 1 to 3 is as follows:</b>				
<b>Grant and Fee income</b>				
OfS - Grant income from the OfS	7,465	7,465	7,553	7,553
Other bodies - Grant income from other bodies	17,562	17,562	13,307	13,307
Taught - Fee income for taught awards (exclusive of Vat)	131,827	131,827	128,096	128,096
Research awards - Fee income for research awards (exclusive of Vat)	2,672	2,672	2,398	2,398
Non-qualifying - Fee income from non-qualifying courses (exclusive of Vat)	5,164	5,155	4,184	4,161
	<b>164,690</b>	<b>164,681</b>	<b>155,538</b>	<b>155,515</b>

# Notes for the Financial Statements

		Year Ended 31 July 2021		Year Ended 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>5 Investment income</b>					
Investment income on endowments	20	2	2	2	2
Gains on unit-based investments		2,139	2,139	2,077	2,077
Interest on short term deposits		452	452	870	869
Other investment income		-	48	-	47
		<b>2,593</b>	<b>2,641</b>	<b>2,949</b>	<b>2,995</b>
<b>6 Donations and endowments</b>					
New endowments	20	-	-	1	1
		-	-	1	1
<b>7 Staff costs</b>					
Salaries		79,960	78,824	82,760	81,455
Social security costs		8,616	8,553	8,765	8,722
Pension costs (note 26)		27,568	27,504	20,673	20,619
Total		<b>116,144</b>	<b>114,881</b>	<b>112,198</b>	<b>110,796</b>

## Emoluments of the Vice-Chancellor

The Statement this year is set in the context of the impact of the global Covid-19 pandemic, and the steps taken and being taken by the University to ensure the continued excellence of the student and staff experience and the future financial sustainability of the organization.

The salary and conditions of service of the Vice-Chancellor are considered by the Senior Post Holder Remuneration Committee (SPH Remcom) following feedback on the annual appraisal and having regard to comparative data. The Vice-Chancellor is not a member of this Committee nor is he in attendance. When considering remuneration for the Vice-Chancellor, the Committee has regard to the Committee for University Chairs Survey of Vice-Chancellor Remuneration, UCEA Senior Staff Remuneration Report, HESA Financial performance data, and relevant HESA student data.

The SPH Remcom is responsible for determining the salaries and terms and conditions of the Vice-Chancellor and the University Secretary. Such determination is guided by the University's Remuneration Policy, which acknowledges that the performance of the University is dependent on the quality and commitment of its workforce and therefore the need to recruit and retain high quality staff to deliver its corporate plan, with appropriate remuneration which recognises contribution to the achievement of strategic goals; whilst also ensuring that salaries and benefits remain competitive with other Universities in our market sector.

## Review of Performance

The University's strategic KPIs are the key indicators used for remuneration purposes for the Vice-Chancellor. The University does not operate any explicit performance pay scheme. The performance of the Vice-Chancellor is assessed at an annual appraisal in terms of progress towards these KPIs, against mainstream Universities (+£100m). Notable achievements include:

**Inspiring:** Continued strong performance in tackling differential achievement between student groups in both continuation and attainment, with gaps closing in the majority of categories; continued improvements in engagement activity, despite the current nationally imposed restrictions; strong performance in the most recent Huddersfield Student Survey, joint first ranking for percentage of staff with teaching qualifications, smooth running of teaching delivery during a very challenging year, TEF Gold.

**Innovative:** A significantly improved submission for the Research Excellence Framework, both in terms of numbers of staff entered (135% increase in FTE) and the internally assessed quality and impact; continued progress against the innovative KPIs in the strategy map, with only some negative impact in research grants, largely attributable to the disruption to research caused by the pandemic.

**International:** Performing Arts ranked 27th on QS World Rankings; improvements in the University's overall ranking in the Times Higher World University rankings; China joint programme became operational and the University signed an agreement for the opening of a Confucius Institute. First recruitment of international students to the London Campus.

**People first:** Achieved target of 100% of staff either having a PhD or registered on one. Now ranked No. 1 for % of staff with doctorate or other higher degree. Chartered Management programme rolled out and there will be nearly 300 Chartered Managers by the end of the academic year. HR Excellence in Research Award.

# Notes for the Financial Statements

**Financial sustainability:** Ranked highest for mainstream universities in the HESA Financial Security Index; continued to maintain strong cash reserves allowing the University to plan for investment in future growth.

**Growth and efficiency:** Future-proofing the University through acquisition of Southgate. Continued to be recognised nationally and regionally for the quality of University buildings; plans underway for the development of the University's new Health and Wellbeing Academy. Merger of the School of Art and Design with the School of Music, Humanities and Media.

The Vice-Chancellor celebrates the success of staff and students across the University at each meeting of the University Managers' Group, Senate and Council. The following reflect a selection of those achievements:

- Professor Heather Clark announced as a finalist for the Pulitzer Prize for her biography of Sylvia Plath
- The publication of the book, More on Murder by the Deputy Vice-Chancellor and contribution to a BBC production, Unsolved Histories
- University research demonstrating the benefits of scalp cooling for patients undergoing chemotherapy
- Contribution by Professor Paul Bywater in the national public investigation into child poverty
- The launch of the Sir George Buckley Leadership Centre
- Achievement of Dr Katie Addina who has been named as the Beloe Fellow for 2021 by the Worshipful Company of Scientific Instrument Makers
- Award of Best University Placement Service of the Huddersfield Business School Employability and Placement Team
- Award of the Dissertation of the Year Award for student Eloise Wright by the Chartered Institute of Logistics and Transport
- Retention of the HR Excellence on Research award
- Award of a £5m+ grant to Professor Adrian Wood to take forward work in sustainable living in Ethiopia
- The launch of a £1.8m project to investigate how technology and data analysis can improve the efficiency and reliability of the UK's railway rolling stock
- Dr Vanessa Taylor and Dr Georgina Blakeley named as National Teaching Fellows
- Award of the President's Medal to student, Lizzie Osborne, by the Royal Institute of British Architects
- Professor Adele Jones awarded the OBE in recognition of her work to improve the lives of vulnerable women and children around the world

#### Vice-Chancellor personal recognition:

- Appointed Deputy President of the Institution of Engineering and Technology, with 158,000 members, it is the largest engineering professional body in the UK.
- Appointed Chair of the Inspiring Digital Enterprise Award that provides free training in the form of digital badges. Eight million badges have been completed to date.
- Trustee of the Chartered Management Institute, with 157,500 members, it is the largest management professional body in the UK.
- Chair of the Chartered Management Institute Board of Companions. CMI Companionship is conferred upon the UK's most outstanding leaders.
- 2019 Examiner Business Person of the Year.
- 2019 Yorkshire Sikh Form Inspiring Leader Award.
- 2016 included in the Grant Thornton 100 Faces for a Vibrant Economy.
- 2015 one of the 50 world leading engineers admitted to the Fellowship of the Royal Academy of Engineering.
- 2015 Daily Telegraph Educate North Inspiring Leader Award.
- 2014 Commander of the Order of the British Empire.
- 2014 appointed Companion of the Chartered Management Institute.
- 2013 Guardian Inspiring Leader Award.
- 2009 Examiner Business Person of the Year.
- 2008 Examiner Lifetime Achievement Award.

#### Vice-Chancellor's Remuneration Package

VC total remuneration package	2020/21	2019/20	2018/19	2017/18
Basic salary	336,042	336,042	336,042	326,254
Pension contribution (standard USS rate)	-	-	-	59,214
Payment in lieu of pension (standard USS rate)	62,168	62,168	62,168	-
Dividends	-	-	-	-
Performance related pay	-	-	-	-
Bonuses	-	-	-	-
Salary sacrifice	-	-	-	-
Car	-	-	-	-
Subsidised loan	-	-	-	-
Subsidised accommodation	-	-	-	-
Ex-gratia payments	-	-	-	-
Private Health Insurance	-	-	-	-
Sabbatical payments	-	-	-	-
Retention of external payments	-	-	-	-
	<u>398,210</u>	<u>398,210</u>	<u>398,210</u>	<u>385,468</u>

# Notes for the Financial Statements

For completeness, it should be noted that the Vice-Chancellor is a member of the University Group Death in Service Scheme, in line with all senior staff. The contractual arrangements with the HOI ensure that any remuneration or fees received by the HOI for external activities in his capacity as Vice-Chancellor or as an employee of the University shall be the income of the University.

## Pay multiple

The table below summarises the current ratio for the university of the pay multiple of head of institution (HoI) earnings against the median of all staff, plus details of how this indicator has changed over the last three years.

Date	Median Salary	VC's Salary	Ratio
31/07/2019	£34,506	£336,042	9.74
31/07/2020	£35,127	£336,042	9.57
31/07/2021	£35,127	£336,042	9.57

It should be noted that the ratio of the pay multiple of the head of institution against the median of staff has been recalculated since the publication of the University's Financial Statements for the year ended July 2020. The previous disclosure included student employees who were dormant on the payroll.

## Remuneration of other higher paid staff, excluding employer's pension contributions

The number of staff with a basic salary of over £100,000 per annum has been included below. Payments made on behalf of the NHS in respect of its contractual obligations to Institution staff under separate NHS contracts of employment are not included within remuneration.

	Year Ended 31 July 2021 Number	Year Ended 31 July 2020 Number
£100,000 to £104,999	3	6
£105,000 to £109,999	4	4
£110,000 to £114,999	2	1
£115,000 to £119,999	-	1
£120,000 to £124,999	-	-
£125,000 to £129,999	1	-
£130,000 to £134,999	-	2
£135,000 to £139,999	2	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	-
£150,000 to £154,999	1	1
£155,000 to £159,999	-	1
£160,000 to £164,999	-	-
£165,000 to £169,999	-	1
£170,000 to £174,999	1	-
£175,000 to £179,999	1	-
£180,000 to £184,999	-	1
£185,000 to £189,999	-	-
£190,000 to £194,999	-	-
£195,000 to £199,999	-	-
£200,000 to £204,999	-	-
£205,000 to £209,999	-	-
£210,000 to £214,999	-	-
£215,000 to £219,999	-	-
£220,000 to £224,999	-	-
£225,000 to £229,999	1	-
	<b>16</b>	<b>18</b>

# Notes for the Financial Statements

	Year Ended 31 July 2021 FTE	Year Ended 31 July 2020 FTE
<b>Average staff full time equivalent (FTE) staff by major category :</b>		
Teaching departments	1,157	1,178
Teaching support services	267	261
Administration and central services	206	188
Premises	164	188
Other	115	104
	<b>1,909</b>	<b>1,919</b>

## Severance Payments

To build on the University's recent successes and to ensure that it maintains and develops its place within the market a process was begun of closely analysing the provision offered, and this will continue into the future. Where subjects are less popular the closure of courses will be considered. The University also needs to build capacity for new provision – subjects already being explored are maths, optometry and geography. In addition, the University needs to position itself for the future to ensure the highest levels of academic authenticity through engaging and developing highly qualified individuals with the desire to achieve and deliver outstanding teaching and research - complemented by professional administrative and technical support. A targeted Severance Scheme was implemented in 2020/21

The combining of the School of Art, Design and Architecture with the School of Music, Humanities and Media has created the School of Arts and Humanities. The new school was officially formed on 1 August 2021 to become one of the largest of its kind in the UK. This new School will unite existing synergies and stimulate innovation and new programme creation in future years, offering students an innovative range of courses in an environment of teaching excellence and fostering interdisciplinary working, in particular around our new Yorkshire Film and Television School. The School will also build on the collaborative work that takes place through events and initiatives such as the Huddersfield Contemporary Music Festival and Temporary Contemporary on a local, national and global scale.

The University paid £437,000 to 41 employees compensation for the loss of office during the year (2019/20: £2,083,000 paid to 100 employees).

## Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Key management personnel includes the cost of emoluments, benefits and includes employer national insurance.

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Key management personnel compensation	<b>1,956</b>	1,922

## 8 Interest and other finance costs

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Local government pension scheme	2,559	2,559	2,152	2,152
Universities superannuation scheme	30	30	119	119
	<b>2,589</b>	<b>2,589</b>	<b>2,271</b>	<b>2,271</b>

# Notes for the Financial Statements

## 9 Analysis of total expenditure by activity

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	67,332	66,817	69,060	67,850
Academic Services	25,421	25,421	26,831	26,929
Administration and central services	27,798	27,798	32,498	32,219
Premises	23,148	23,148	18,825	18,824
Catering and conferences	636	636	1,539	1,492
Research grants and contracts	11,248	10,857	10,690	10,946
Other expenses	19,152	18,254	13,133	12,247
	<b>174,735</b>	<b>172,931</b>	<b>172,576</b>	<b>170,507</b>
Other operating expenses include:				
External auditors remuneration in respect of audit services	80	71	66	57
External auditors remuneration in respect of non-audit services	7	7	27	27
External auditors remuneration in respect of taxation advice	11	2	13	9

Services are inclusive of VAT for the University.

## 9b Access and Participation

Access investment	870	870	1,213	1,213
Financial support	610	610	787	787
Disability support	944	944	998	998
Research and evaluation	90	90	84	84
	<b>2,514</b>	<b>2,514</b>	<b>3,082</b>	<b>3,082</b>

£1,550k (2019/20 - £1,765k) of the total access and participation costs are already included in the overall staff costs figures included in the financial statements, see note 7.

The university scholarship offered to new entrants is dependent on two criteria - 120 or more UCAS points on entry and an annual household income of less than £25,000. Therefore the number we award and subsequently spend will vary each year dependant on the entry profile of our new first year students.

The University's Access and Participation plan is available via <https://www.hud.ac.uk/about/accessagreements/>

## 10 Taxation

	Consolidated and University	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
<b>Recognised in the statement of comprehensive income</b>		
Current tax	-	(2)
Deferred tax	(47)	(12)
<b>Total tax expense</b>	<b>(47)</b>	<b>(14)</b>

# Notes for the Financial Statements

## 11 Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Consolidated Cost or valuation</b>					
At 1 August 2020	343,035	609	41,131	12,046	396,821
Additions	1,520	-	1,148	8,111	10,779
Transfers	5,890	-	205	(6,095)	-
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>350,445</b>	<b>609</b>	<b>42,484</b>	<b>14,062</b>	<b>407,600</b>
<b>Consisting of valuation as at:</b>					
31 July 2020 valuation	343,035	565	10,288	2,467	356,355
Cost	7,410	44	32,196	11,595	51,245
	<b>350,445</b>	<b>609</b>	<b>42,484</b>	<b>14,062</b>	<b>407,600</b>
<b>Depreciation</b>					
At 1 August 2020	-	29	23,486	-	23,515
Charge for the year	9,944	12	3,242	-	13,198
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>9,944</b>	<b>41</b>	<b>26,728</b>	<b>-</b>	<b>36,713</b>
<b>Net book value</b>					
<b>At 31 July 2021</b>	<b>340,501</b>	<b>568</b>	<b>15,756</b>	<b>14,062</b>	<b>370,887</b>
At 31 July 2020	343,035	580	17,645	12,046	373,306
<b>University Cost and valuation</b>					
At 1 August 2020	343,035	609	40,434	12,047	396,125
Additions	1,520	-	1,148	8,111	10,779
Transfers	5,890	-	205	(6,095)	-
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>350,445</b>	<b>609</b>	<b>41,787</b>	<b>14,063</b>	<b>406,904</b>
<b>Consisting of valuation as at:</b>					
31 July 2020 valuation	343,035	565	10,288	2,467	356,355
Cost	7,410	44	31,499	11,596	50,549
	<b>350,445</b>	<b>609</b>	<b>41,787</b>	<b>14,063</b>	<b>406,904</b>
<b>Depreciation</b>					
At 1 August 2020	-	29	23,097	-	23,126
Charge for the year	9,944	12	3,154	-	13,110
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>9,944</b>	<b>41</b>	<b>26,251</b>	<b>-</b>	<b>36,236</b>
<b>Net book value</b>					
<b>At 31 July 2021</b>	<b>340,501</b>	<b>568</b>	<b>15,536</b>	<b>14,063</b>	<b>370,668</b>
At 31 July 2020	343,035	580	17,337	12,047	372,999

At 31 July 2021, freehold land and buildings included £9.7m (2019/20 - £9.7m) in respect of freehold land that is not depreciated. Within tangible fixed assets at 31 July 2021 there were £14m (2019/20 - £12m) of assets under construction, which are not being depreciated.

The freehold and long leasehold land and buildings of the University were revalued on 2 July 2020 as at 31 July 2020 by Eddisons, the external property valuers. The methods and significant assumptions applied in estimating the fair value was based on the depreciated replacement cost (DRC) approach, which is subject to the prospect and viability of the continued occupation and use. This is the standard approach for this type of property, which is not traded on the open market, due to the buildings being specialised and purpose built for educational purposes. (This is in accordance with the RICS Appraisal and Valuation Manual).

Buildings with a cost or valuation of £117m have been partially funded from Treasury sources. A repayment of funding would only occur in exceptional circumstances.

# Notes for the Financial Statements

The historic cost of property and equipment held at fair value is as follows:

	Consolidated £'000	University £'000
At 31 August 2021	348,785	348,009
At 1 August 2020	337,926	337,230

## 12 Non-Current Investments

	Subsidiary companies £'000	Other investments £'000	Total £'000
<b>Consolidated</b>			
At 1 August 2020	-	32	32
At 31 July 2021	-	32	32
<b>University</b>			
At 1 August 2020	50	32	82
At 31 July 2021	50	32	82

## 13 Subsidiary undertakings

The subsidiary companies (all of which are registered in England and Wales), wholly-owned or effectively controlled by the University, are as follows:-

Company	Principal Activity	Status
The University of Huddersfield Enterprises Limited (UHEL)	Commercial research, conference and related commercial facilities	100% owned
Huddersfield Enterprise & Innovation Centre Limited (HEICL)	Facilities management, research collaboration and business development	100% owned
The University of Huddersfield Properties Limited (UHPL)	Dormant company	100% owned

## 14 Trade and other receivables

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Other trade receivables	6,802	6,174	6,342	5,464
Other receivables	3	3	27	27
Prepayments and accrued income	7,997	7,681	7,986	7,688
Amounts due from subsidiary companies	-	1,993	-	1,992
	<u>14,802</u>	<u>15,851</u>	<u>14,355</u>	<u>15,171</u>

Included in amounts due from subsidiary companies is the sum of £1,1817 (2019/20: £1,927k) due after more than one year.

# Notes for the Financial Statements

## 15 Current Investments

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unit-based investments	93,851	93,851	52,365	52,365
Deposits	246	246	1,315	1,315
	<b>94,097</b>	<b>94,097</b>	<b>53,680</b>	<b>53,680</b>

Sums are held with investment managers, Cazenove, Barclays, COIF, Black Rock Fund Managers and Funding Circle, with more than 24 hours but less than 12 months maturity at the statement of financial position date. The unit-based funds managed by Cazenove, Barclays, COIF, and Black Rock Fund Managers are multi-asset and include equities, property, infrastructure, commodities, bonds and cash. They are classified as a level 1 investment under FRS 102, with a quoted price in an active market. Amounts placed with Funding Circle are lent to businesses who make fixed repayments including interest as a level 3 investment. These current investments are shown at fair value based on representing actual and regular market transactions on an arm's length basis.

## 16 Creditors : amounts falling due within one year

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Payments received in advance	23,860	23,453	17,314	16,818
Trade creditors	2,324	2,296	2,287	2,279
Social security and other taxation payable	291	291	319	319
Accruals and deferred income	10,562	10,492	9,689	10,078
Deferred taxation	59	-	12	-
Deferred capital grants	3,329	3,329	3,132	3,132
Amounts due to subsidiary company	-	804	-	211
Other creditors	126	95	85	53
	<b>40,551</b>	<b>40,760</b>	<b>32,838</b>	<b>32,890</b>

## 17 Creditors : amounts falling due after more than one year

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred capital grants	30,055	30,055	30,850	30,850
	<b>30,055</b>	<b>30,055</b>	<b>30,850</b>	<b>30,850</b>

## 18 Provisions for liabilities

### Consolidated and University

	Obligation to fund deficit on USS pension £'000	Pension enhancements on termination £'000	Defined benefit obligations £'000	Total Pensions Provisions £'000
At 1 August 2020	4,063	172	185,777	190,012
Increase/(decrease) in year	-	-	-	-
Transfer from income and expenditure	(316)	(22)	(24,630)	(24,968)
At 31 July 2021	<b>3,747</b>	<b>150</b>	<b>161,147</b>	<b>165,044</b>

See note 26 for pension obligations.

### USS

# Notes for the Financial Statements

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 26.

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Salary growth	4.00%	4.00%

## Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2021	Approximate impact £'000
0.5% pa decrease in discount rate	76
0.5% pa increase in salary inflation over duration	73
0.5% pa increase in salary inflation year 1 only	18
0.5% increase in staff changes over duration	76
0.5% increase in staff changes year 1 only	19
1% increase in deficit contributions	40

## 19 Financial Instruments

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Held at fair value:				
Unit-based investments	93,851	93,851	52,365	52,365
Deposits	246	246	1,315	1,315
Held at amortised cost:				
Bank and cash	81,572	81,258	83,584	83,497
Trade and other debtors	12,660	13,719	11,849	12,262
	<b>188,329</b>	<b>189,074</b>	<b>149,113</b>	<b>149,439</b>

The University financial assets include trade debtors, accrued income and short-term deposits and are held at amortised cost. Current asset unit-based investments and deposits are held at fair value.

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial liabilities:				
Creditors falling due within one year	13,012	12,883	12,061	12,410
	<b>13,012</b>	<b>12,883</b>	<b>12,061</b>	<b>12,410</b>

The University financial liabilities include trade payables and accruals and are held at amortised cost.

## 20 Endowment Reserves

# Notes for the Financial Statements

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2021 Total £'000	2020 Total £'000
<b>Balances at 1 August 2020</b>				
Capital	2,425	234	2,659	2,622
Accumulated income	39	-	39	47
	<u>2,464</u>	<u>234</u>	<u>2,698</u>	<u>2,669</u>
New endowments	-	-	-	1
Investment income	11	1	12	29
Expenditure	-	(2)	(2)	(1)
<b>Total endowment comprehensive income for the year</b>	<u>11</u>	<u>(1)</u>	<u>10</u>	<u>29</u>
<b>At 31 July 2021</b>	<u><u>2,475</u></u>	<u><u>233</u></u>	<u><u>2,708</u></u>	<u><u>2,698</u></u>
<b>Represented by:</b>				
Capital	2,450	233	2,683	2,659
Accumulated	25	-	25	39
	<u>2,475</u>	<u>233</u>	<u>2,708</u>	<u>2,698</u>
<b>Analysis by type of purpose:</b>				
Scholarships and bursaries	256	-	256	254
Research support	2,152	-	2,152	2,144
Prize funds	67	233	300	300
	<u>2,475</u>	<u>233</u>	<u>2,708</u>	<u>2,698</u>
<b>Analysis by asset</b>				
Accrued income			-	200
Cash & cash equivalents			2,708	2,498
			<u>2,708</u>	<u>2,698</u>

The University has the following individually material endowments:

- The 3M fund – to provide resources for a chair of entrepreneurship

# Notes for the Financial Statements

	Consolidated At 1 August 2020 £'000	Cash Flows £'000	Consolidated At 31 July 2021 £'000
Cash and cash equivalents	83,584	(2,012)	81,572
	<u>83,584</u>	<u>(2,012)</u>	<u>81,572</u>

## 22 Consolidated reconciliation of net debt

The University has no loans.

## 23 Capital and other commitments

	As at 31 July 2021		As at 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	4,539	4,539	525	525

These commitments will be funded through existing resources and operating cash flow.

## 24 Contingent liabilities

### Subsidiaries

The University has given written undertakings to support the subsidiary companies for up to twelve months from the date of approval of these financial statements.

## 25 Lease Obligations

Total rentals payable under operating leases:

	Consolidated and University	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Payable during the year	30	36
Future minimum lease payments due:		
Not later than 1 year	28	33
Later than 1 year and not later than 5 years	12	45
Later than 5 years	-	-
<b>Total lease payments due</b>	<u>40</u>	<u>78</u>

## 26 Pension and Other Obligations

# Notes for the Financial Statements

The University's employees belong to three principal pension schemes: the Teachers' Pension Scheme, the Universities Superannuation Scheme and the West Yorkshire Pension Fund. The total pension cost for the year was £27,568,000 (2019/20 : £20,673,000), analysed as follows:

	Year Ended 31 July 2021		Year Ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
West Yorkshire Pension Scheme	18,917	18,866	15,447	15,399
Teachers' Pension Scheme	7,025	7,019	7,031	7,025
Universities Superannuation Scheme	1,619	1,619	(1,812)	(1,812)
NEST	7	-	7	7
	<b>27,568</b>	<b>27,504</b>	<b>20,673</b>	<b>20,619</b>

## Teachers' Pension Scheme (TPS)

The TPS is an unfunded defined benefit scheme. Contributions made on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purpose of determining contribution rates.

The pension cost is assessed periodically in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are:

Latest actuarial valuation	31 March 2016
Actuarial method	Prospective benefits
Investment return per annum	2.9%
Salary scale increases per annum	4.0%
Notional value of assets at date of last valuation	£196,100 million
Proportion of members' accrued benefits covered by the notional value of the assets	90.08%

Following the implementation of Teacher's Pension (Employers' Supplementary contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions.

After the 1<sup>st</sup> September, 2019 contribution rates increased to 23.68% from 16.48% for employers and banded contributions of 7.4% to 11.7% for employees. The pensions' charge recorded by the University during the accounting period was equal to the contributions payable, taking into account benefit improvements subsequent to the valuation and the spreading of surplus over future service lives of employees. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

The TPS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The University will therefore account for its pension costs on a defined contribution basis.

## 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.

Because of the mutual nature of the scheme, the assets are not attributed to individual universities and a scheme-wide contribution rate is set. The university is therefore exposed to actuarial risks associated with other universities' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the university therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme. Since the university has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the 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) with related expenses being recognised through the Consolidated Statement of Comprehensive Income.

The total cost charged to the profit and loss account is (£147k) (2019/20 : (£3,603k)).

Deficit recovery contributions due within one year for the institution are £468k (2019/20 : £176k).

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

# Notes for the Financial Statements

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

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

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

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

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

Mortality base table	<b>2018 Valuation</b>
	<b>Pre-retirement:</b> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<b>Post retirement:</b> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

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

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

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2020 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	4.00%	4.00%

A further full valuation as at 31 March 2020 is currently underway. There is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and *pari passu* arrangements. The valuation has not met its statutory deadline of 30 June 2021. It is anticipated that there will be an increase in the deficit provision and impact on cashflow as a consequence of the new schedule of contributions.

## West Yorkshire Pension Fund (WYPF)

The University operates a final salary defined benefit pension scheme that non-academic employees can participate in, called the West Yorkshire Pension Fund (WYPF). The scheme is externally funded and is contracted out of the State Second Pension (S2P) of pension provision.

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2019 updated to 31 July 2021 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 16.7% to 31 March 2021 before rising to 17.2%.

## Assumptions

# Notes for the Financial Statements

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

	At 31 July 2021	At 31 July 2020
Price Inflation (CPI)	2.6%	2.3%
Rate of increase in salaries	3.9%	3.6%
Rate of increase of pensions in payment for WYPF members	2.6%	2.3%
Discount rate	1.7%	1.4%

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

	Male (years)		Female (years)	
	Pensioner	Non-Pensioner	Pensioner	Non-Pensioner
At 31 July 2020	21.8	22.5	24.6	25.7
At 31 July 2021	21.9	22.6	24.7	25.8

## Scheme assets and expected rate of return for WYPF

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The fair value of the assets in the scheme were:

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Equities	181,782	144,259	153,151
Government bonds	18,586	18,566	19,290
Other bonds	9,973	9,283	7,015
Property	8,386	7,983	8,378
Cash	4,987	2,971	4,092
Other	2,947	2,599	2,923
	<b>226,661</b>	<b>185,661</b>	<b>194,849</b>

The tables below include disclosures for the WYPF

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
<b>Analysis of the amount shown in the statement of financial position for WYPF</b>		
Scheme assets	226,661	185,661
Scheme liabilities	(387,808)	(371,438)
<b>Deficit in the scheme - net provision</b>	<b>(161,147)</b>	<b>(185,777)</b>
<b>Deficit in the scheme – net pension liability recorded within pension provision (Note 18)</b>		
Current service cost	(19,129)	(15,020)
Past service costs	-	(54)
Total operating charge	<b>(19,129)</b>	<b>(15,074)</b>
<b>Analysis of the amount charged to interest for WYPF</b>		
Interest cost	(5,173)	(6,252)
Expected return on assets	2,614	4,100
<b>Net charge to other finance income</b>	<b>(2,559)</b>	<b>(2,152)</b>
<b>Analysis of other comprehensive income for WYPF</b>		
Gain on assets	36,417	(13,951)
Experience gains/(losses) on liabilities	3,933	(54,877)
<b>Total other comprehensive income before deduction for tax</b>	<b>40,350</b>	<b>(68,828)</b>

History of experience gains and losses - WYPF

# Notes for the Financial Statements

	Year to: 31 July 2021	31 July 2020	31 July 2019	31 July 2018	31 July 2017
<b>Difference between actual and expected return on scheme assets:</b>					
Amount (£'000)	36,417	(13,951)	10,603	8,622	13,297
% of assets at end of year	16	8	5	5	8
<b>Experience gains/(losses) on scheme liabilities:</b>					
Amount (£'000)	(3,933)	(54,877)	(46,617)	3,856	7,702
% of liabilities at end of year	1	15	16	2	3
<b>Cumulative actuarial loss recognised as other comprehensive income for WYPF</b>					
Cumulative actuarial assets recognised at the end of the year			226,661		185,661
Cumulative actuarial losses recognised at the end of the year			(387,808)		(371,438)
<b>Analysis of movement in surplus/(deficit) for WYPF</b>					
<b>Deficit at beginning of year</b>			(185,777)		(105,155)
Contributions or benefits paid by the University			6,150		5,432
Current service cost			(19,129)		(15,020)
Past service cost			-		(54)
Settlement cost			(182)		-
Net decrease in assets			-		-
Other finance charge			(2,559)		(2,152)
Loss/(gain) recognised in other comprehensive income			40,350		(68,828)
<b>Deficit at end of year</b>			<b>(161,147)</b>		<b>(185,777)</b>
<b>Analysis of movement in the present value of WYPF</b>					
			371,438		300,003
<b>Present value of liabilities at the start of the year</b>					
Current service cost (net of member contributions)			19,129		15,020
Past service cost			-		54
Curtailement costs			182		-
Recorded within other comprehensive Income			5,173		6,252
Actual member contributions (including notional contributions)			2,401		2,355
Actuarial loss/(gain)			(3,933)		54,877
Actual benefit payments			(6,582)		(7,123)
<b>Present value of liabilities at the end of the year</b>			<b>387,808</b>		<b>371,438</b>
<b>Analysis of movement in the fair value of scheme assets</b>					
			185,661		194,848
<b>Fair value of assets at the start of the year</b>					
Expected return on assets			2,614		4,100
Actuarial gain on assets			36,417		(13,951)
Actual contributions paid by University			6,150		5,432
Actual member contributions (including notional contributions)			2,401		2,355
Actual benefit payments			(6,582)		(7,123)
<b>Fair value of scheme assets at the end of the year</b>			<b>226,661</b>		<b>185,661</b>

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

	At 31 July 2021 £'000	At 31 July 2020 £'000
<b>Actual return on Scheme assets</b>		
Interest income on scheme assets	2,614	4,100
Asset gain	36,417	(13,951)
	<b>39,031</b>	<b>(9,851)</b>

Estimated contributions for WYPF in the Financial Year 2021/22 are £6.3m.

# Notes for the Financial Statements

The University has taken advantage of the disclosure exemption under FRS 102, which applies to transactions and balances between wholly-owned subsidiaries.

Members of the University Council are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it. All transactions involving organisations in which a member of the Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

The University maintains a register of Council members' and senior staff members' interests which is available for inspection. The following transactions were identified for disclosure under Section 33 of FRS 102: Related Party Transactions:

Organisation	Council /Senior Staff Member	Income from related party £'000	Expenditure to related party £'000	Balance due from related party £'000	Balance due to related party £'000
Kirkwood Hospice	Mr B Ainsworth	-	9	-	2
Yorkshire Universities	Prof R A Cryan	-	6	-	-
Huddersfield University Students Union	Mr A Opakunle	381	866	-	-
HESA Ltd	Mr A McConnell	-	84	-	-
UNIAC	Mr A McConnell	-	103	-	-
CMI	Prof R A Cryan	-	127	-	-

## Council Members

No Council Members have received any remuneration/waived payments from the University during the year (2019/20 – None).

The total expenses paid to or on behalf of 17 Council members was Nil (2019/20 - £745 to 16 Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

## 28 Amounts disbursed as agent of Department for Education

These funds are available solely for students, with the University acting only as a paying agent. The income and related disbursements are therefore excluded from the Income and Expenditure Account.

	Consolidated and University	
	Year Ended 31 July 2021	Year Ended 31 July 2020
	£'000	£'000
<b>Initial teacher training bursaries</b>		
Funds received	2,662	2,078
Disbursed to students	(2,662)	(2,078)
	-	-

## 29 Post statement of financial position events

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The 2020 valuation has now been signed and filed with The Pensions Regulator with an effective date of 1 October 2021, and came into effect with a dual rate schedule of contributions:

- leg 1, which includes a small increase in contribution rates from the 2018 Valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation.
- leg 2, which includes more significant increases in contribution rates from the 2018 Valuation and shorter deficit recovery period, which only becomes applicable if the JNC recommended deed on benefit changes has not been executed by 28 February 2022.

The leg 1 proposal results in an increase of £7,479k in the provision for the obligation to fund the deficit on the USS pension which would instead be £11,402k. This adjustment will be reflected in the University's Financial Statements for the year ended 31 July 2022 subject to agreement by the JNC of leg 1.

