

Financial Statements 2020

August 2019–July 2020

University of
Huddersfield
Inspiring global professionals



A traditional black and white zebra crossing close to the University's main entrance has been repainted in the vibrant colours of the LGBTQ+ movement so that it sends out a permanent message of inclusiveness and tolerance



Global conference on gender-based violence

University researchers who work on curtailing gender-based violence and sexual abuse held a successful summit in India. Now one of the team's goals is to work more with marginalised youngsters in that nation's densely-populated cities.

International experts in criminal psychology, sociology, education, social work, and health and nutrition convened in Mumbai, where the Indian School of Design and Innovation staged the event with None in Three. Designers participated because of their computer game development to address gender-based violence and their Indian game will focus on how gender bias and gender stereotyping contribute to violence.



Professor Adele Jones – Director of None in Three

From the late 1990s an inter-disciplinary research team led by Adrian Wood, Professor of Sustainability, has been conducting action research in south-west Ethiopia. This approach involves developing, testing and monitoring innovations based on long-term studies. In the south-west part of Ethiopia, a country which has lost 75% of its forest in recent decades, is found one of the country's two remaining blocks of Afro-montane rainforest. This forest is unique because of the presence of wild coffee and a range of tree fruits and spices, while it also produces high quality honey and beeswax.

Degradation of tropical rain forests is causing devastating losses of biodiversity and stored carbon. It is also destroying the livelihoods of forest-using communities. Forest loss is driven by many factors including a lack of clear rights for local people, poor management arrangements and limited economic opportunities which fail to make forests an economically competitive land use.



Professor Adrian Wood



Honey harvested the traditional way in the forest canopy

THE UNIVERSITY OF HUDDERSFIELD
FINANCIAL STATEMENTS
For the year ended 31 July 2020

C O N T E N T S

	<u>PAGES</u>
Professional advisors	2
Report of the University Council: Operating and Financial Review	3
Statement of Corporate Governance and Internal Control	28
Independent auditor's report	34
Statement of principal accounting policies	37
Consolidated statement of comprehensive income and expenditure	46
Consolidated statement of changes in reserves	47
Consolidated and University statement of financial position	48
Consolidated statement of cash flows	49
Notes to the financial statements	50

PROFESSIONAL ADVISORS

External auditors:

Grant Thornton UK LLP
1 Whitehall Riverside
Leeds
LS1 4BN
England

Internal auditors:

UNIAC
4th Floor
St James' Building
Oxford Street
Manchester
M1 6FQ
England

Bankers:

Lloyds TSB Group plc
1 Westgate
Huddersfield
HD1 2DN
England

Solicitors:

Eaton Smith LLP
14 High Street
Huddersfield
HD1 2HA
England

Eversheds – Sutherland
70-76 Great Bridgewater Street
Manchester
M1 5ES
England

Pinsent Masons
1 Park Row
Leeds
LS1 5AB
England

OPERATING AND FINANCIAL REVIEW

The University Council of the University of Huddersfield hereby submits its thirty-first annual report together with the audited financial statements for the year ended 31 July 2020. 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.

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 179 years via the Huddersfield Mechanics’ Institute. 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 18,000 undertaking a wide range of courses covering the wealth creating, cultural and social welfare aspects of our economy.

2025 Strategy Map

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.

Key Performance Indicators

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.

We achieve our aims through a People First strategy which develops and empowers our staff; 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.

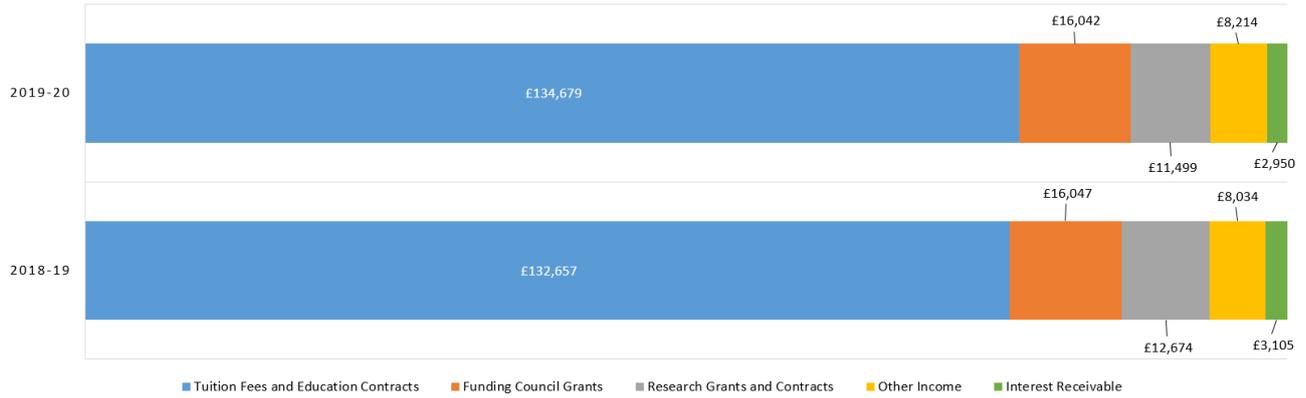
Value for Money Statement

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".

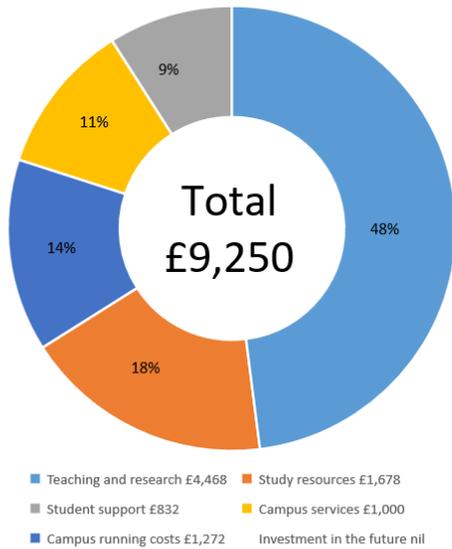
**THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)**

Sources of consolidated university income (£'000)

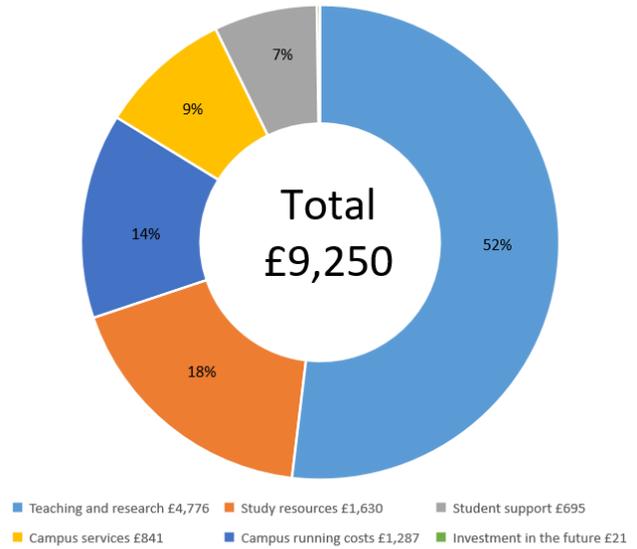


The charts below show our sources of income and how student tuition fees was spent in 2019/20 and in 2018/19:

How your university fees were invested in 2019/20



How your university fees were invested in 2018/19



The loss of £1,784k for 2019/20 has been assumed to be funded from reserves

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 2019/20 we spent £10.7m on student support, which includes services such as counselling, disability support and financial advice. We also spent £24.1m 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.



The University secured a Gold Award in the Teaching Excellence Framework (TEF) and was also awarded the Higher Education Academy's inaugural Global Teaching Excellence Award

The University of Huddersfield is one of the first organisations in the world where all its senior managers hold (or are on route to hold) Chartered Manager status.



ACHIEVEMENT OF STRATEGIC OBJECTIVES

Inspirational Teaching

The University continues its registration with the Office for Students (OfS).

The 2019/20 academic year presented unprecedented challenges, with business as usual until March 2020, when campus was closed in line with the national Covid lockdown. Teaching and learning and assessment shifted into an entirely online environment and the University developed and invoked its emergency regulations which allowed for a tiered approach to adjustment to assessment. A "safety net" approach was instituted to assure students that their final degree classification would not be worse than that indicated by grades attained in their previous academic year. In the summer of 2020, students completing their degrees and achieving levels of 'good degrees' (1/2i classifications) were higher than the previous year, with 82.4% of our students securing good degrees. This was achieved without any amendments to classification algorithms, though assessment mechanisms which had previously relied on unseen examinations sat under invigilated conditions underwent review and changes were fast tracked to allow assignments to be completed in an online environment.

The University recognised that the 2020/21 academic year would require a new approach to teaching and learning, with uncertainty around the viability of face to face teaching on campus, and therefore took a decision to plan for an environment which would be dominated by a pedagogy of distributed learning, blended with face to face teaching wherever possible. In order to support all teaching staff in making adjustments in pedagogy and technique more appropriate to online environments, the Strategic Teaching and Learning Team developed an online training programme "Moving Your Module Online" (MYMO), which since its launch at the beginning of June has seen significant engagement from academic staff who have reported that it has empowered them to operate in blended learning environments. The module has so far had more than 1000 unique visitors.

THE UNIVERSITY OF HUDDERSFIELD **REPORT OF THE UNIVERSITY COUNCIL (continued)**

To support the move into online teaching and learning, a Digital Enablers Group was convened, and oversaw rapid development in institutional IT infrastructures. In March, the online meeting platform Zoom was enabled for all staff to ensure business continuity, while the timeline for the planned implementation of the full Office 365 suite, to include the meetings platform Teams, was brought forward by 18 months and the process of rapid implementation completed in time for the beginning of the 2020 academic year. Training for academic staff in the use of Teams as a platform for synchronous online lectures was developed and implemented through MYMO, and specialist trainers were deployed to support all students in using the new technology.

A Commuter Student Project was set up at the start of the academic year to explore how to improve the experience of those students who travel to campus from around the region. Working in partnership with students we identified areas for development and some early gains were made prior to lockdown. Student Voice initiatives continue to develop, with the launch in May of a new module evaluation system.



The University's Director of Teaching, Learning and Student Experience in the School of Human and Health Sciences was the winner of the 2019 European Award for Excellence in Teaching in the Social Sciences and Humanities, conferred by the Central European University (CEU).

The University's achievement of all colleagues with substantive teaching roles either being recognised through Fellowship of the Higher Education Academy, or working towards recognition, continues to make us one of the leading institutions in the country for the proportion of academic staff holding a teaching qualification since 2015.

Performance in the NSS reveals potential areas for development, work to improve scores in organisation and management, also the student voice is already underway.

We continue to equip our graduates with the life-skills and behaviours necessary to be global citizens who make a positive contribution to society, and all undergraduate students who are on a course of more than one year's duration have the opportunity to engage in significant work-related experience as part of their studies. The most recently published "positive outcomes" figure for Huddersfield graduates in employment or further study 15 months after graduation (based on those graduating mainly in the summer of 2017/18) is 90.7%, which places Huddersfield in the top English mainstream universities.

Student Opportunities

The University's commitment to securing good outcomes for all students continues with the development of its Differential Attainment Project which saw the Strategic Teaching and Learning Team work with all Schools to take a forensic approach to attainment data, identifying targeted approaches in supporting students to achieve their best. This builds on the legacy of the OfS funded project Intervention for Success which concluded in 2019, and is the foundation of work towards the KPI for the 2018-2025 strategy map of a differential attainment score of zero. While the 2019/20 year is somewhat anomalous, there are indications that the BAME attainment gap has narrowed significantly to 9.4% (15.7% in 2018/19), while the gap between advantaged and disadvantaged students on the basis of POLAR quintiles remains as not statistically significant at 2.5%.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

We continue to equip our graduates with the life-skills and behaviours necessary to be global citizens who make a positive contribution to society, and all undergraduate students who are on a course of more than one year's duration have the opportunity to engage in significant work-related experience as part of their studies. To consolidate this position and to enable the University to meet key performance indicators in the 2018-2025 strategy map, the University successfully piloted a new Global Professional Award programme, accredited by the CMI, which foregrounds employability and enterprise education. All first-year students in the School of Applied Sciences engaged in the programme designed to enable them to develop the social and cultural capital and confidence to succeed when they graduate. In April, the University appointed a GPA manager and a team of GPA trainers and administrators to roll out the programme to all first-year students, and further develop it into the second year for the School of Applied Sciences.

The University is committed to its local community and taking education actively to students in order to widen participation, as well as delivering excellence in teaching and enhancing student success.



We recognise that some sections of society perceive that there are entry barriers to higher education, for instance based upon price. We work hard to raise aspirations and awareness of HE amongst those currently under-represented and in 2019/20 we carried out 944 activities in schools, colleges and community groups, reaching an estimated 25,000 learners. Unfortunately, this is a decrease on previous years due to the pandemic. We also provide role models and advice through our Student Ambassador Scheme and have continued to do this remotely using the Unibuddy platform during the pandemic. We give all of our Postgraduate Research students a comprehensive guide to alternative funding sources currently available in the UK.

In 2019/20, we distributed University Scholarships to 787 students amounting to £787k (2018/19:£798k), this being a slight reduction on last year because there were fewer qualifying students. We also awarded Access to Learning Funds of £295k, to 562 students and over 90% of eligible undergraduate students took a student fee loan from the Student Loan Company.

THE UNIVERSITY OF HUDDERSFIELD **REPORT OF THE UNIVERSITY COUNCIL (continued)**

Wellbeing

The University's Wellbeing Service supported 1,419 unique students through 3940 face to face, telephone or online appointments. The Counselling Service supported 145 students with psychological counselling. 795 students accessed Togetherall (formerly known as Big White Wall), a 24/7 digital wellbeing service, which provides access to a moderated peer support network, online self-assessments and self-guided courses. Togetherall is Care Quality Commission regulated and based on Cognitive Behavioural Therapy practices. Face to Face workshops covering topics such as mindfulness, self-esteem and procrastination are run regularly through term time. Student Services' colleagues promote wellbeing across campus providing specialist guidance to academic and guidance staff across campus. Mental Health First Aid, a two-day course, ensured that in 2019/20 11 additional university colleagues were trained to offer first line support and referral alongside the delivery of other courses to challenge the stigma of mental illness and raise awareness of how to support student mental health.



Care Leavers

A dedicated support worker provides a single point of contact, friendly face and champion to support care leavers to navigate university life. 49 care leavers accessed this support during 2019/20.

Faith Centre

The University Faith Centre and Chaplaincy supports students' wellbeing creating community space and prayer spaces for students and staff which is particularly well used by the international student community.

Disability



There is a trend growth in the number of students enrolling with the University who declare a disability and, at the end of 2019/20, 2,626 students declared a disability through either UCAS, direct entry applications, or during enrolment. 1,939 students registered with Disability Services and 86.6% have a Personal Learning Support Plan, to support them to access an excellent learning experience. Disability Services facilitated 1,928 one to one appointments, helping students to access support and adjustments including specialist mentoring, study skills support and British Sign Language interpretation. These appointments generated over 13,316 case notes, which indicates the complexity of the work and liaison required to enable access to learning.

Disability Services provide advice and guidance to Schools regarding student support, reasonable adjustments and inclusive practice. Reductions in the provision of the Disabled Student Allowance continue to prompt the further development of inclusive practice to ensure the curriculum and learning is accessible by

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

default. HudStudy, a collaboration with Computing and Library Services has provided a dedicated colleague to promote the use of assistive technology, through the training of both staff and students. The introduction of Lecture Capture continues to positively impact on all students including those with disabilities. A weekly Autism Friendly Lunch Club provides a valued space for students to meet and secure both peer and expert support.

Mental Health (28%) and Specific Learning Difficulties (32%) account for the majority of disabilities declared during 2019/20:

- 724 students declared a Mental Health condition. 654 registered with the Disability Service and were supported to access over 4,400 hours of 1-1 support.
- 854 students declared a Specific Learning Difficulty such as Dyslexia or Dyspraxia. 786 registered with the Disability Service and accessed over 4,700 hours of 1-1 tutor support.

The support provided to students with disabilities has a positive impact; in 2019/20, 82.6% of students declaring a disability achieved a good honours degree, above the whole population at 82.3%. (These figures are subject to confirmation following any appeals that may be made.)

Employable and Enterprising Graduates

The University continues to be confident that its work in enhancing student employability is sector-leading, with a strong track record in producing talented graduates - ready to embark on successful careers. The Careers and Employability Service leads on this work within the University and in the 2019/20 academic year, the *MyCareer* digital careers interface registered a total of 40,092 student interactions. 1,639 students attended on-campus jobs fairs and workshops and 2,183 students accessed individual advice and guidance appointments.

Huddersfield alumnus John Bernard was listed in the Marketing Week Top 100 Marketers list in September 2019.



Through our on-campus events and Recruiters-in-Residence programme, many of our current students took the opportunity to meet employers and explore future opportunities. The Jobshop was able to process and promote 3677 high-quality, course-specific vacancies for our students and graduates.

Careers Registration, a short diagnostic questionnaire for students at enrolment and re-enrolment, now provides a snapshot of careers readiness across years, courses and schools. This is data which has been blended with graduate outcomes data, and labour market information, to develop data-informed and focused School Employability and Enterprise Action Plans, that target support to cohorts of students who may require information, advice, or guidance.

Proportion of graduates in positive outcomes.

Changes to the national framework for measuring graduate outcomes, migrating from the DLHE survey (6-months post-graduation), to the Graduate Outcomes survey (15 months post-graduation) results in a change to comparison data as the methodology in the two surveys is distinctively different. The chart below shows that we remain ahead of the sector and regional average for producing employable graduates.

The University of Huddersfield	90.7%
Sector (England)	88.9%

Innovative Research Excellence and Enterprise

Preparations are in place for the next Research Excellence Framework (REF 2021) for which the University will submit over 500 FTE academic staff, in excess of 1300 research outputs, 59 impact case studies and 19 environment statements which contribute 60%, 25% and 15% respectively to the assessment scores for each discipline area (Unit of Assessment). The deadline for submission is 31 March 2021 with the outcomes of the external assessment process expected in April 2022. The outcomes influence the value of the Quality Related (QR) research grant received from government each year.

The University's Research Strategy 2018-2025 renews our commitment to growth in our portfolio of high quality research, particularly in areas of multidisciplinary research which are expected to impact on global, national and regional challenges. The University recruits new academic staff to support the growth of strategically important thematic research areas identified within the strategy and we employed 145 professors.

Our postgraduate research student population during the academic year 2019/20 was 942. We strongly endorse the principles of the national Concordats for the Career Development of Researchers, Research Integrity, and Public Engagement with Research to provide an exceptional environment for research and for the development of researchers and research careers.

Over the past year, we have achieved some major research and enterprise successes which include:



A new multi-disciplinary Technical Textiles Research Centre was launched by the University, with founder and Director, Professor Parik Goswami, at the helm. The centre will house a multitude of experts in fields that include chemistry and engineering as well as textiles.

The Supply Chain project supported 250 businesses, 73 of which were successfully provided with grants of £241,980.

Dr Pavlos Lazaridis received €1.212m (around £977,425) in November 2019 from Horizon 2020 to undertake research into Mobility and Training for beyond 5G Ecosystems. Motor 5G is a Europe-wide project involving 10 academic and industrial partners.

Prof Surya Munro received a grant of £2.198m from the EU's Horizon 2020 programme to fund Intersex: New Interdisciplinary Approaches in collaboration with universities in Belgium, Ireland, Switzerland and Spain. The University's contribution from the grant is £618,363. The programme began in March 2020 and will run for 4 years. Early stage researchers have been recruited to work with 21 organisations across 10 countries on issues relating to intersex people and those with variations of sex characteristics. The aim is to raise awareness and trigger new policies.

In November 2019 the Vice-Chancellor was awarded the Huddersfield Examiner Business Person of the Year Award for his success in achieving a global outlook and reputation for the University as well as his tireless work as a champion of the regional economy, benefitting not just the town but West Yorkshire as a whole.

THE UNIVERSITY OF HUDDERSFIELD **REPORT OF THE UNIVERSITY COUNCIL (continued)**

A memorandum of understanding was signed with the Bahrain's Royal University for Women which will result in collaboration with a number of areas across the University. Masters courses will be delivered in Bahrain and Huddersfield from September 2020.

Professor Simon Iwnicki, Director of the Institute of Railway Research (IRR), was elected a Fellow of the Royal Academy of Engineering, one of the world's most exclusive and prestigious engineering bodies. Election to the Academy is by invitation only with about 50 Fellows elected each year after they have been nominated by existing Fellows. The Fellows are elected for their "outstanding and continuing contributions to the profession". Professor Iwnicki had the honour officially conferred on him at a special function held in November 2019.



The IRR was awarded the Queen's Anniversary Prize following recommendation by the Prime Minister and approval from Her Majesty the Queen. The prize was awarded for research and development that has brought significant improvements to the railway industry.

The world's first carbon fibre rail bogie was unveiled in the IRR. This was developed by the IRR in collaboration with ELG Carbon Fibre and is made entirely from surplus and recycled carbon fibre materials. It has been designed to:

- Reduce track wear and infrastructure maintenance costs by reducing vertical and transverse loads on the rails.
- Improve reliability and operational availability through an embedded health monitoring system.
- Reduce energy consumption and hence global warming footprint.



The IRR also received a grant of £883k from ESIF to support Smart Maintenance research facilities.

In November the IRR were awarded funding for a project LOCATE (Locomotive bOgie Condition mAinTEenance) – the Institute's Dr Adam Bevan, Head of Enterprise and Railway, leads this €1.5M project (of which the University received £193k) on the development of tools/technologies for monitoring the condition of locomotive bogies to support condition-based maintenance.

December saw the contracting of a further project, NEXTGEAR (Next Generation Railway Running Gear) - worth €2.5m. Its focus is on active control and novel materials (with University funding of €189k) in partnership with 24 organisations including POLIMI, KTH, Leeds, Nottingham, Bosch, Lucchini, Metro Madrid and led by Professor Simon Iwnicki.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)



The Newton Prize 2019 was awarded to Professor Richard Haigh and Professor Dilanthi Amaratunga for the University's Global Disaster Resilience Centre, for their research work in Indonesia. The award of £200,000 will enable them to continue collaborations with Bandung's Institute of Technology, funding a 12 month project entitled *Developing and harmonising local capacities for tsunami early warning*.

In December, an MoU was signed with the Jiangsu Industrial Technology Research Institute (JITRI) in China. This will allow JITRI and the University to collaborate, develop and implement applied industrial research projects to strengthen industries in Jiangsu Province and to exploit in other territories. Additionally, the partners have collaborated during the year on establishing a joint twin-centre training PhD programme. JITRI will establish a fund of £2.3m (20m RMB) to support research projects developed under this MOU.

Kierhardy Ansell, owner of 'Skate It Yourself' was awarded £15,000 as one of the top finalists in the 2019 Santander Universities Entrepreneurship Awards – one of the UK's largest business pitching competitions. Kierhardy launched his business during his Enterprise Placement Year in the University's Enterprise Hub.



Professor Tzortzopoulos received £162,000 for an ESRC project 'uVITAL' which commenced in January 2020. A project with international collaboration of which we are the UK partner, this project focuses on user-valued innovations for social housing upgrading.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)



A successful KTP with Deluxe Beds was completed in January 2020 and exceeded its defined financial targets with the company achieving a 100% increase in productivity. During her time with the company, Dr Javed has overseen multiple projects and successful funding applications. These have led to an increase in sales due to improved marketing, company outreach and networking. The company has also noticed improvements in its supply chain and has seen an increase in production through more efficient operations. In light of her achievements, the company nominated Dr Javed for a Manufacturer Top 100 award which recognises excellence across UK manufacturing and in November, she was successful in being awarded the Unsung Hero for her Process Innovation project.

The Director of Research and Enterprise and 3M Professor of Innovation, Professor Liz Towns-Andrews, was awarded an OBE in the New Year's Honours 2020. Professor Towns-Andrews OBE received her award for services to Business, to Enterprise and to Public and Private Sector Collaboration. Liz joined the University of Huddersfield in 2009.



Professor Dame Xiangqian Jiang was appointed as one of 15 UK experts to become a member of the Science, Engineering and Technology Board of the Government-backed Engineering and Physical Sciences Research Council (EPSRC). The role of the board is to use its scientific and technological insights to champion funding for new research at the cutting edge of engineering and physical science, with key responsibilities including providing advice and scientific guidance to the EPSRC Executive.

Professor Dame Xiangqian Jiang was awarded a £5.5m grant from the EPSRC for Next Generation Metrology in collaboration with the Zepler Institute for Photonics and Nanoelectronics at the University of Southampton, to create production line nanoscale error sensors. The University's element of the grant award is £2.9m.

In March, the University welcomed a visit to the 3M Buckley Innovation Centre from Minister of State Simon Clarke MP, which followed the signing of a new devolution deal for West Yorkshire. The Minister met Sue Cooke, the CEO of the 3M BIC, and had a tour of Innovation Avenue which houses technology available to businesses for product design, prototyping, 3D printing and product verification. He indicated the bigger picture of his visit to the area is about "making sure we create more strategic opportunities like this which help to level up our entire economy and society".

The School of Music, Humanities & Media were successful in securing four EU Marie Curie Fellowships. The Individual Fellowships aim to enhance the creative and innovative potential of experienced researchers, wishing to diversify their individual competence through advanced training, international mobility and intersectoral mobility. The fellowships are each worth €259k, €225k and €213k.

Anamul Haq Mir received an Early Career EPSRC Fellowship "Addressing self-irradiation damage and its impact on the long-term behaviour of nuclear waste matrices". A grant of £1.055m for the project was awarded in April 2020.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

In June, the University were awarded a contract worth £250,000 from ICE+, which is a two-year project funded by the Office for Students & Research England to facilitate knowledge exchange between university students at all levels of study, and external organisations and businesses - primarily SMEs.

Detriment or harm

A principle of public benefit is that benefits must be balanced against any detriment or harm. We have considered this issue and we have not identified anything to report. None of our research activity falls into areas such as “live” animal testing or non-ethical research.

Contribution to economic, social and cultural development

The University has a history of close involvement with industry, business and its cultural community. The extent of that involvement is probably best illustrated by the fact that in terms of headcount we are in the top 15 HEIs in the UK for sandwich course placements and from DLHE data and graduate outcomes data we estimate that 80% of our full-time, home, first degree graduates went on to work in the Yorkshire and Humber region after graduation.

The University connects with the world outside the campus, with links to a broad range of external organisations and professional bodies. Our connections help us to keep our courses relevant to the world of work and to ensure our students have good employability skills. Optometry was a new subject area starting September 2019, the successful launch has allowed the General Optical Council to permit an expansion of numbers recruited in September 2020.

We make major contributions to our community in terms of fashion, art, drama, media and music. The University continues to sponsor and support the Huddersfield Contemporary Music Festival.

The Vice-Chancellor is a Trustee of the Peter Jones Foundation, which works to establish a real way to support children’s futures and to inspire a culture of enterprise and entrepreneurialism in Britain. He is also a Director of Yorkshire Universities and chairs the Chartered Management Institute Board of Companions.

International Renown

One in every five students on campus is now from outside the UK, a measure of the growing international reputation of the University. This also widens the experience of our UK students and helps to prepare them to be citizens in the global economy.

Despite the Covid-19 pandemic, applications from international students are 60% ahead of the previous year and interest in travelling to Huddersfield to study in 2020/21 remains high. And our international student societies have done an incredible job of supporting each other during lockdown, with numerous on-line events and cooking demonstrations.

The University has recently invested almost £500,000 in building and nurturing international research partnerships with over 70 top institutions across the world, providing our top researchers with funds to ensure that they can take their collaborative research to the next level and gain the international recognition that they deserve.





The QS World University Subject Rankings have again ranked the University's 'Performing Arts' at 27th in the world.

In the Times World University Rankings, Business was ranked among the world's Top 250-300 Schools, with Creative Arts and Psychology 300-350.



The University has also just been through the QS Stars re-accreditation process and been awarded 5 Stars overall, with 5 Stars for Teaching, Internationalisation, Facilities, Inclusiveness, Employability and Innovation.

Enhancing our standing, Developing our identity and Raising our profile

Our staff, students and alumni are influential across the globe in their chosen fields. Our marketing and communications activity aims to develop the University's reputation to ensure that alumni can remain proud of their association with Huddersfield. We also work to raise our profile so that new partners are confident in working with us as we open up new possibilities for collaboration. To achieve this, we seek to ensure that those who commission research or business support are aware of the knowledge and skills that are available through working in partnership with the University. Another key focus is our work with those who may advise students about their choice of University. We embrace the principles of corporate social responsibility, recognising our impact on students, staff and the local community.

Equal Opportunities and Employment of Disabled Persons

The University is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age, etc. We strive to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The University's Equal Opportunities Policy and Diversity Statement is published on our website.

The University considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the University continues. The University's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

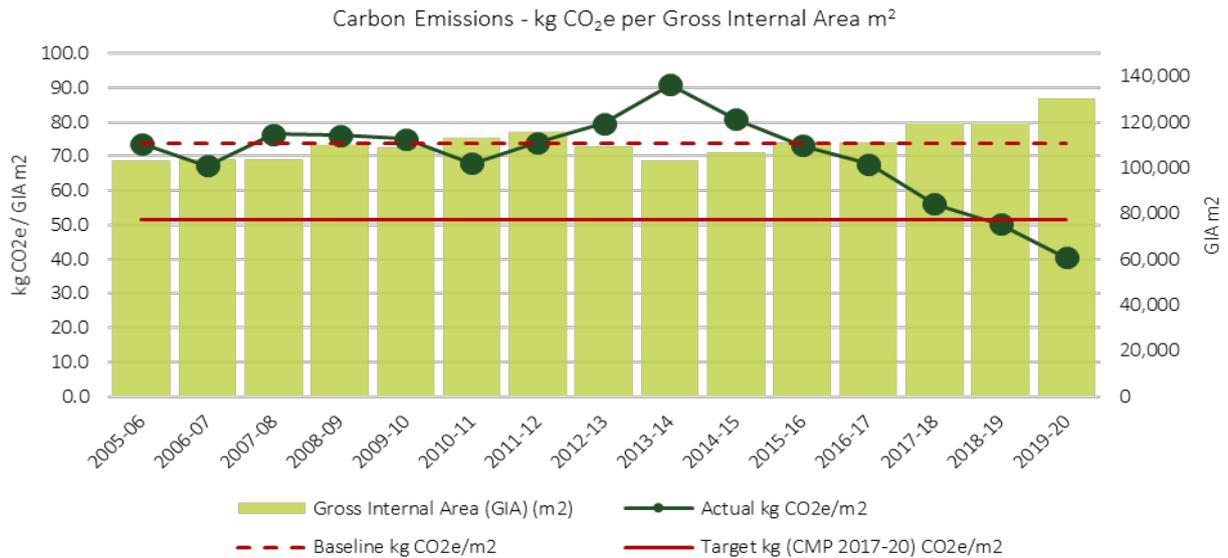
The University seeks to achieve the objectives set down in the Equality Act 2010. The University has been awarded the Disability Symbol. This is in recognition by Jobcentre Plus that we have agreed to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees.



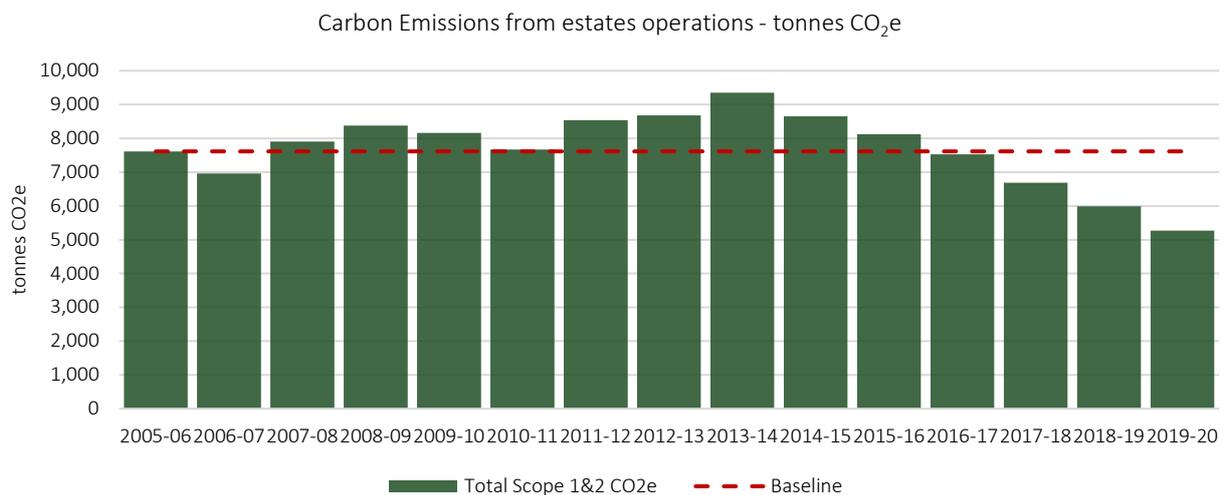
Environmental and Social Sustainability

Carbon Emissions and Energy management

The University has achieved a 45% reduction in Scope 1&2 emissions per m² in estates operations from its 2005 baseline, outperforming the target of 30% at a point when the estate has again increased in size with the Barbara Hepworth and Joseph Priestley East buildings coming into full operation. The Coronavirus lockdown contributed in part to the reductions, however the University was maintaining its improving performance trajectory beforehand. The challenge will be to maintain reductions as the use of the campus returns to normal over time.



The total Scope 1&2 emissions from estates operations has again decreased to represent a reduction of 31% since the baseline of 2005/06, despite the campus size increasing by 26% over the time period.



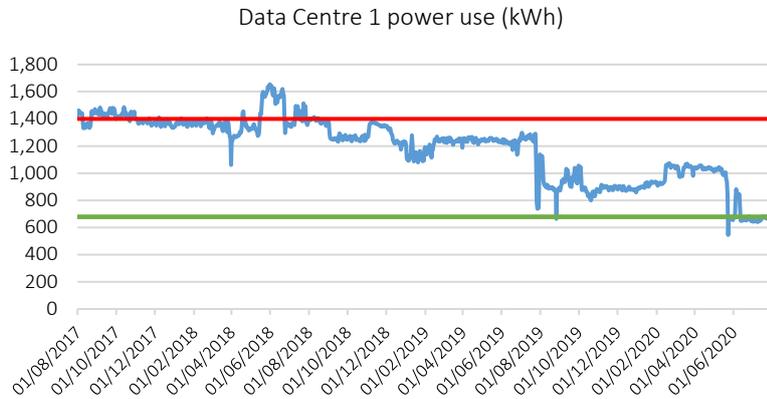
The Estates and Facilities directorate has continued its activities to improve energy efficiency, reduce maintenance requirements and improve thermal performance across the campus.

Projects to improve energy efficiency include:

Installing new burners for the district heating boilers located in Schwann building, improving efficiency and enabling the boilers to ramp down to a lower level for periods of lower demand.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

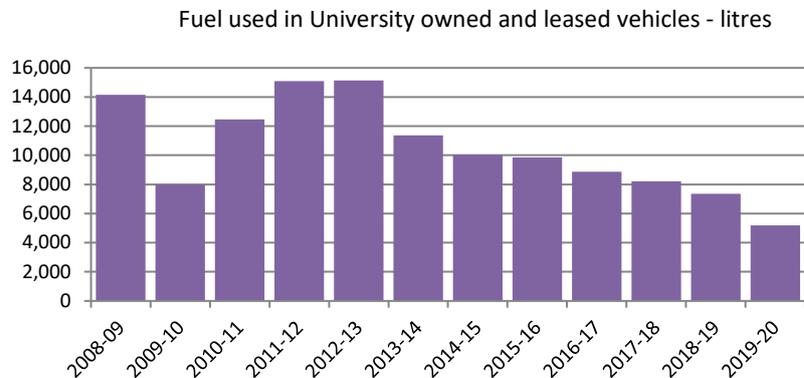
Estates and Facilities has continued its programme to upgrade the TREND Building Management Systems (BMS) installed across campus, improving control and enable more efficient operation through 'building strategy' management. Whilst often a hidden function of operating the campus, the BMS is one of the most critical tools in efficient operation and reducing the carbon footprint of the University.



Completing the installation of adiabatic cooling for Data Centre 1 and Schwann Building. The improvements to the data centre combined with Computing and Library Services upgrading their equipment has resulted in a 52% reduction in power use when compared with 2017/18 before the works began.

Future projects under development are the replacement of cooling for Lockside, Haslett and Spark-Jones buildings with adiabatic cooling in line with the schemes undertaken in Schwann Building and a Solar Photovoltaic Electricity generating array on the roof of Technology Building in parallel with a major refurbishment being undertaken for the School of Computing and Engineering.

Fuel used in University-owned vehicles has more than halved between 2008/09 and 2019/20, the downward trend amplified by the recent Coronavirus lockdown. The main reasons for reduction are development of a smaller, more efficient fleet that now includes three electric vehicles, and procedural changes including fewer vehicles used on-call. We aim to replace some of our leased vans with more electric vehicles in the future.



Net-Zero

The University has now established two new targets

- 1. Achieve Net-Zero Emissions for Scopes 1&2 by 2030.**
- 2. Achieve Net-Zero Emissions for Scope 3 by 2045**

These challenging targets represent the Universities commitment to tackling the climate emergency. To achieve these targets, the University of Huddersfield will need to continue improving efficiency in its operations, reduce reliance on fossil fuels and grid electricity, generate power on campus, understand the impacts of its procurement activities under Scope 3 and minimise where possible.

THE UNIVERSITY OF HUDDERSFIELD **REPORT OF THE UNIVERSITY COUNCIL (continued)**

Waste

Following successful pilots, campus recycling schemes were further expanded during 2019/20. These included:

Paper and Cardboard: the newly developed recycling scheme was rolled-out across campus, employing local firm Sonoco to collect and process the paper at their site in Greetland.

Segregated Recycling: The 3M Buckley Innovation Centre hosted a new pilot where new bins were installed to encourage users to segregate their waste into: Paper & Cardboard, Tins & Cans, Plastic Bottles, Food Waste and General Waste. Initial feedback from cleaning staff has highlighted the reduced incidence of contamination and further expansion is scheduled in 2020/21.

Food Waste: The adoption of improved practices by University catering (Huddersfood) has resulted in a reduced trend in the volume of food waste generated between November and March. All food waste, including peelings, cooked foods and customer plate waste is segregated for collection by ReFood where the waste is processed via anaerobic digestion.

Be Green reusable mugs continue to be incentivised through discounted drinks offers across university outlets. Prior to the Coronavirus pandemic the proportion of hot beverage sales in reusable mugs increased from 7.16% in 2018/19 to 10.7% in 2019/20. Once University operations return to normal the use of reusables on campus will continue to be incentivised and promoted.

Overall waste volume has fluctuated as a result of the Coronavirus pandemic; while operating at a reduced capacity throughout April-July the University experienced an 85% reduction in waste generation. However increased use of disposables, reduced staffing resources and improved reporting practices have contributed to the reduced rate of recycling observed between January and July. Prior to March the University had made improvements to its recycling rates through a series of popular engagement activities including toolbox talks, waste campaigns and frequently oversubscribed visits to the local Materials Recycling Facility; these will resume as soon as safely possible.

Travel

Although substantial changes in student and staff travel patterns have occurred as a result of the Coronavirus pandemic, the University has continued to support its students and staff. As part of its wider response, the University has enabled travel avoidance, and supported safe and flexible travel options for those returning to campus. New IT software and enhanced training have supported innovation in remote learning, teaching and working, and participation in virtual events, reducing dependency on non-essential travel.

In promoting active and sustainable travel, cycle facilities have been improved ahead of students and staff returning to campus in anticipation of increased demand. This has included installation of Covid-secure and security signage, self-cleaning stations and general maintenance. Public transport and car sharing demand has reduced in the short-term due to social distancing. Consequently the University has facilitated season ticket refunds.



THE UNIVERSITY OF HUDDERSFIELD **REPORT OF THE UNIVERSITY COUNCIL (continued)**



Collaborative working relationships with internal and external stakeholders continue to grow:

A Commuter Students Working Group was established in September 2019 to better support over half our students who commute to campus from surrounding areas. Research suggests that being a commuter student impacts on attainment and employability due to reduced access to social networks that traditionally develop within University communities. The group aims to investigate these impacts in Huddersfield while improving access to campus and resources to create a more inclusive environment for students. Their key achievements include the development of a number of social spaces on campus with improved facilities such as microwaves and hot water taps, the promotion of the Sconul Library access scheme and new dialog with bus companies to discuss improved connectivity with areas that currently require complex journeys with multiple transit points.

The Bicycle User Group is now a well-established network continuing behind-the-scenes despite the lack of opportunity for summer engagement events.

We continue to work closely with the West Yorkshire Combined Authority and the Travel Plan Network on strategic travel planning for both staff and student travel. Joint working with Kirklees Council is expected to develop over the next year.

Engagement

The University has engaged students and staff with its sustainability agenda through a varied programme of activities, events and communications. The University's first Green Week was held in December 2019. Programme highlights included targeted sustainable development workshops, a green research fair as well as hands-on sessions at the university allotment, a plant swap, a plastic free shop and tour of the local recycling facility. Dr Julia Meaton also led a session encouraging academics to incorporate sustainable development into their teaching.

Communications were further developed with the creation of the HudSustainability Instagram account that interacts with an average of 142 people each week. We have also embedded sustainability news in School and departmental newsletters.

A Sustainable@Home online campaign encouraged student and staff participation in green initiatives during lockdown, including recycling household waste, windowsill food-growing and creating a bee friendly garden. A Window Wildlife photography competition achieved 51 outstanding entries.

A Hedgehog Garden Survey provided practical experience of wildlife surveying while contributing to the University's work towards the Hedgehog Friendly Campus award.





Teaching and Learning

The University continues to develop opportunities and partnerships to embed sustainability within the student curriculum.

Events Management students engage with Fairtrade in their learning by organising the annual Fairtrade Fortnight headline event on behalf of the University and Kirklees Fairtrade Forum as part of their final year project. This has contributed to the University successfully achieving the new 1* University and Colleges Fairtrade Award, promoting and engaging with Fairtrade at the University and in the wider community as an active member of the Kirklees Fairtrade Forum.

Over the 2019/20 period, Computing and Engineering students have frequently engaged with sustainability as part of their degree courses. The Sustainability Team were invited to set a challenge as part of the Computing and Engineering undergraduate Design Week event, with the cross-disciplinary design of an innovative solution to a real-world problem. Further opportunities are also being explored to collaborate with Journalism and Media students to commission visual media productions to promote sustainability at the University.



Green Projects

Throughout 2019/20 the University collaborated with the local community organisation Environment Kirklees, hosting litter picks along the River Colne, and working to map new walking routes around the University and wider River Colne basin that have been adapted for print. The installation of these map boards has been delayed due to the Coronavirus pandemic; once installed they will encourage staff and students to stay healthy by taking active breaks from their work or learning.



Further collaborative projects include The Canalside Project, a practical skills programme supporting 15 students from Kirklees College who attended weekly sessions with the Grounds Maintenance Team between October 2019 and March 2020. The University also offers a Supported Internship programme for 2 students with the grounds maintenance team; as a result of these projects, this year the University has been shortlisted for a Times Higher Education Award in the Outstanding Contribution to Equality, Diversity and Inclusion Category.

The Mini-Allotment Project located on campus gained great momentum as an educational and social space for staff throughout the summer and autumn of 2019, resulting in an increased demand for similar projects. The mini-allotments were unable to be tended by the group during the Coronavirus pandemic so the University organised to have these replanted with herbs and other edibles for the enjoyment of the whole University community as they begin to return to campus. Future collaborative projects are being developed to allow staff and students to get involved and learn as part of a larger Student Union project based at the Storthes Hall Allotment. Additional planters will be installed on campus for staff to tend to during their lunch breaks while working on campus.

Relationships have been developed with external stakeholders including the Wildlife Trusts, RSPB and the Canal and River Trust, who have attended events and provided staff and students with opportunities to learn and engage with various projects in the wider community.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

Financial Performance

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 2019/20. 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>2020</u> <u>£'000</u>	<u>2019</u> <u>£'000</u>
Income	173,384	172,517
Expenditure	(172,576)	(171,980)
Surplus for the year before other gains and tax	808	537
(Loss)/gains on investments	(2,606)	308
(Loss)/surplus before taxation	(1,798)	845
Taxation	14	18
(Loss)/Surplus after taxation	(1,784)	863
Actuarial (loss) in respect of pension schemes	(68,828)	(36,014)
Gain on revaluation	88,602	-
Pension net decrease in assets	-	(917)
Movement on endowments	29	33
Total comprehensive income/(loss) for the year	<u>18,019</u>	<u>(36,035)</u>

The University has record a loss before tax for the year at (1.0%) of total income.

Total income increased by 0.5%. A further fall in Funding Council income was offset by higher tuition fee income from home and EU students.

The underlying staff cost (excluding amounts paid for loss of office) to income ratio decreased to 63.5% from 65.2%.

Operating expenses decreased to 27.9% of total income from 28.4%.

Significant statement of financial position movements arose from:

- An increase in cash balances and investments of £6.0m.
- An increase of £77.1m in the calculation of our pension liabilities (following an increase of £52.5m in the previous year).

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

- A valuation of the estate by Eddisons, the external property valuers, on 2 July 2020 for the year ending 31 July 2020, resulted in an uplift on several of the University buildings and the reduction of life expectancy on some of the older buildings (See note 11).

Total statement of financial position funds increased by £18m or 7.1% during the year (following a decrease of 12.5% in the previous year).

Capital Investment

Maintaining capital investment of £15.8m in 2019/20 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 £15.2m before capital expenditure (net of grants received), which was largely the result of cash generated from operating activities. Liquidity at the year end represented 308 days of expenditure, compared with a sector average of 122 days for 2018/19.

The University has a target for generating sufficient cash to fund its estates and other strategic objectives which was achieved in 2019/20. 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 was able to increase its liquid funds by £6.5m, despite significant capital expenditure in the year.

Our surplus 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 2025 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 2025 to be submitted to the Office for Students before February 2021 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.

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 potential 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 during a period of remote working.

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:

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

- A period of depressed economic activity, with resulting reduction in revenues, and lower new and continuing student enrolments.
- Business disruption including the impact of stay-at-home advice on the ability to operate efficiently as well as the ability to deliver research activity working remotely.
- 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 2020-21 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: With significant disruption adversely affecting Home & EU and Overseas student recruitment.

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 3 was adopted for setting the 2020-21 University budget, early indications suggest that the institution will perform better than this worst-case 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.

The implementation of social restriction measures by the UK government will result in a marked decline in University revenue. The current unprecedented economic environment has created uncertainty in relation to the timing of a return to significant on-campus teaching, the ongoing availability and extent of limited government support, future student and customer behaviour and the associated recovery in income and surpluses. The timing and shape of recovery is uncertain and accordingly, the University has taken a cautious approach in considering when shortfalls in tuition fee income and other revenues might be recovered and the eventual return to growth. Elements of capital expenditure have been paused where practical to do so and restrictions placed on activities affecting on-going revenue expenditure, such as staff travel. The need for savings on pay and non-pay expenditure has been modelled and measures put in place to achieve them. These are reflected in the Financial Forecasts submitted to the Office for Students.

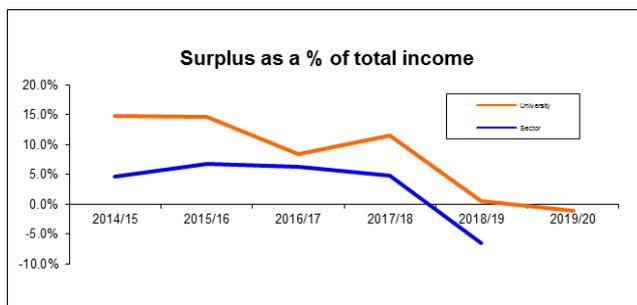
Based on these scenarios and the cash resources available to the University, Council believes that the University has more than sufficient liquidity to manage through a range of different cashflow scenarios over the next 12 months. Given the University's strong liquid position, the going concern basis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

Financial Sustainability

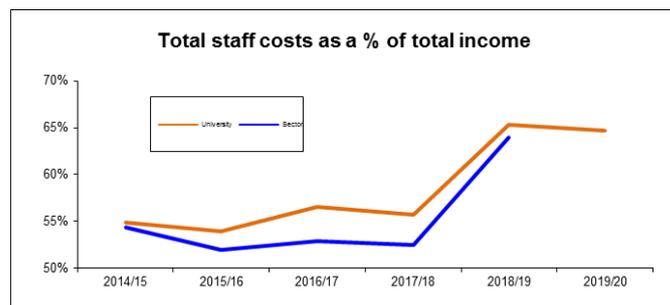
Three of our University KPIs relate directly to financial performance. The following ratios represent some of the Key Financial Indicators which are recognised across the Higher Education Sector and can indicate the financial health of a University relative to its peers. They are shown for the University 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.

**THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)**

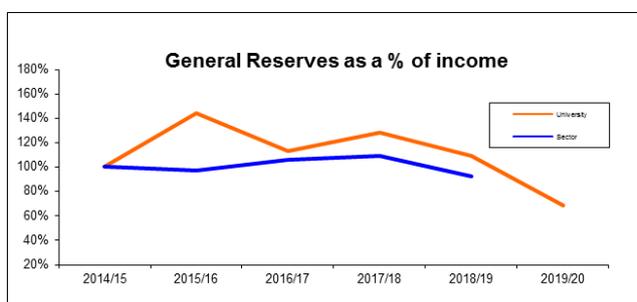
Comparative results for the last 5 years show the following trends:



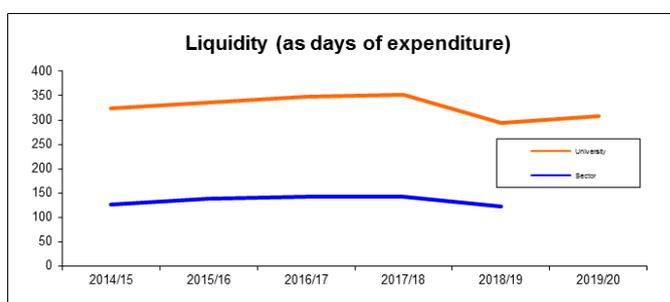
The University's surplus continues to be higher than the than the sector average.



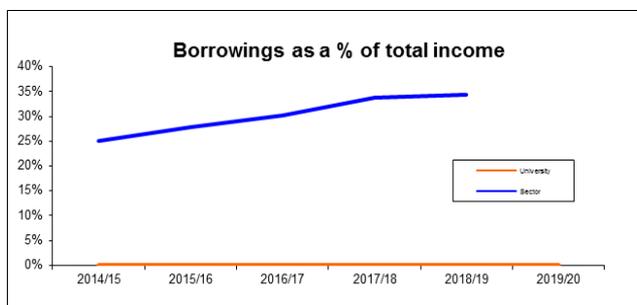
The University's staffing cost as a % of income is above the sector average.



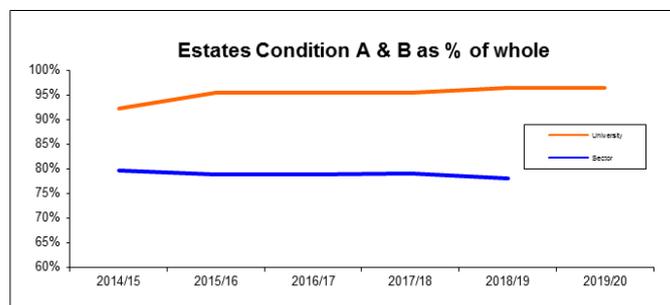
The University's reserves are above the average for the sector.



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;
- 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 due to continued Covid-19 restrictions; and
- the effect of Brexit on tuition fee income, research grants, staffing, etc.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

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.

The Trade Unions

The Trade Unions (Facility Time Publication Requirements) Regulations 2019 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 2019 to 31 March 2020 the total number of employees who were relevant union officials during the relevant period was 17 (15.95 FTES). These employees spent between 1-50% of their working hours on facility time at a total cost of £43,105.45 representing 0.04% 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 62.97%.

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 2019/20 was 24 days (2018/19: 18 days).

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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 issued by the Committee of University Chairs (CUC) in December 2014 and has complied throughout the year ended 31 July 2020 and will ensure compliance with the new Code in the future. 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 has agreed to formally adopt the new CUC Code of Governance and is compliant with the recently published CUC Code of Practice for Audit Committees.

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
External Members			
Mr J H Thornton	1 January 2006	31 July 2022	Chair of Council Estates and Finance Committee Chair of Governance & Membership Committee Honorary Awards Committee Senior Post Holder Remuneration and 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
Professor I Pollock-Hulf	1 August 2015	31 July 2021	Estates and Finance Committee
Mrs H Thomson	16 November 2010	31 July 2022	Chair of Audit Committee Senior Post Holder Remuneration and Senior Staff Remuneration Advisory Committees
Co-opted Members			
Professor T Thornton	1 August 2015	Ex-officio	Estates and Finance Committee Governance & Membership Committee Honorary Awards Committee Senate
Members Nominated by Senate (Teaching Staff)			
Dr J Lane	1 August 2015	13 May 2020	Honorary Awards Committee Senate
Professor J Johnes	1 August 2018	31 July 2020	Senate
Members Nominated by Senate (Admin Staff)			
Mr R Quayle	22 September 2017	31 July 2020	
Student Member			
Mr E Haruna	3 July 2019	Ex-officio	Honorary Awards Committee Governance & Membership Committee Senate
Vice-Chancellor and Principal			
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

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

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 personnel-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.

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 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

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

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 on their own for independent discussions.

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. They are 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.

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 2020 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;

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

- 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;
- 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.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

- 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 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 OfS Assurance Service currently make an annual assessment of the relative risk attaching to each institution being either "at higher risk" or "not at higher risk". This is based upon any audit work they have done in the year and upon information supplied and returns made. In April 2019, the Assurance Service concluded that the University "is not at higher risk" and is meeting its accountability obligations set out in the Memorandum of Assurance and Accountability (now superseded by the OfS and Research England terms and conditions of funding).

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 2020 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 issued by the CUC in December 2014, revised June 2018.

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.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

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; and
- consider and act on the OfS' assessment of the University's risks specifically in relation to these funding purposes.

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.

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 Grant Thornton UK LLP as external auditor will be put to the University Council Meeting on 25 November 2020.

Mr J Thornton
Chair
25 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF
THE UNIVERSITY OF HUDDERSFIELD

Opinion

We have audited the financial statements of the University of Huddersfield (the 'university') for the year ended 31 July 2020, which comprise consolidated and university statement of comprehensive income and expenditure, the consolidated and university statement of changes in reserves, the consolidated and university statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the university's affairs as at 31 July 2020 and of the income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- 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 have been appointed as auditor under the Education Reform Act 1988 and report in accordance with regulations made under those Act. 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 university in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

THE UNIVERSITY OF HUDDERSFIELD
INDEPENDENT AUDITOR'S REPORT (continued)

- the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the university's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Council's conclusions, we considered the risks associated with the university's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the university will continue in operation.

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 33, 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 Student's ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the university for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England) and the Department of Education have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them, 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 university's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the university's expenditure on access and participation activities for the financial year, as disclosed in the note to the accounts, has been materially misstated.

THE UNIVERSITY OF HUDDERSFIELD
INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council set out on page 32, 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 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 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. This description forms part of our auditor's report.

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
Leeds
25 November 2020

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 2019 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 (£).

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 potential 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 during a period of remote working.

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 including the impact of stay-at-home advice on the ability to operate efficiently as well as the ability to deliver research activity working remotely.
- 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 2020-21 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: With significant disruption adversely affecting Home & EU and Overseas student recruitment.

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 3 was adopted for setting the 2020-21 University budget, early indications suggest that the institution will perform better than this worst-case 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.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The implementation of social restriction measures by the UK government will result in a marked decline in University revenue. The current unprecedented economic environment has created uncertainty in relation to the timing of a return to significant on-campus teaching, the ongoing availability and extent of limited government support, future student and customer behaviour and the associated recovery in income and surpluses. The timing and shape of recovery is uncertain and accordingly, the University has taken a cautious approach in considering when shortfalls in tuition fee income and other revenues might be recovered and the eventual return to growth. Elements of capital expenditure have been paused where practical to do so and restrictions placed on activities affecting on-going revenue expenditure, such as staff travel. The need for savings on pay and non-pay expenditure has been modelled and measures put in place to achieve them. These are reflected in the Financial Forecasts submitted to the Office for Students.

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 2020. 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.

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.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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 by Eddisons, the external property valuers on 2 July 2020 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.

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.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

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.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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 and judgements

Preparation of the financial statements requires management to make significant estimates and judgements. Estimates and 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. The estimates and 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. 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 2020 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) 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. The 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 recovery plan in existence at the date of approving these financial statements.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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 2017 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2034. 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 and judgements 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. 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.

d. Estimates and judgements in 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 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.

e. 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.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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.

f. 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.

g. 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.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	134,679	134,655	132,657	132,645
Funding body grants	2	16,042	16,042	16,047	16,047
Research grants and contracts	3	11,499	10,611	12,674	11,637
Other income	4	8,214	7,050	8,034	6,810
Investment income	5	2,949	2,995	3,104	3,151
Donations and endowments	6	1	1	1	1
Total income		173,384	171,354	172,517	170,291
Expenditure					
Staff costs	7	112,198	110,796	113,068	111,405
Other operating expenses	9	46,799	46,220	48,999	48,134
Depreciation	11	9,730	9,642	8,289	8,201
Impairment costs	11	1,578	1,578	-	-
Interest and other finance costs	8	2,271	2,271	1,624	1,624
Total expenditure		172,576	170,507	171,980	169,364
Surplus for year before other gains		808	847	537	927
(Loss)/gain on investments		(2,606)	(2,606)	308	308
(Loss)/surplus before taxation		(1,798)	(1,759)	845	1,235
Taxation	10	14	-	18	2
(Loss)/surplus for the year after taxation		(1,784)	(1,759)	863	1,237
Other comprehensive income					
Actuarial (loss) in respect of pension schemes	26	(68,828)	(68,828)	(36,014)	(36,014)
Unrealised surplus on revaluation		88,602	88,602	-	-
Pension net decrease in assets	26	-	-	(917)	(917)
Movement on endowments	20	29	29	33	33
Total comprehensive income/(loss) for the year		18,019	18,044	(36,035)	(35,661)
Represented by:					
Endowment comprehensive income for the year		29	29	33	33
Restricted comprehensive income for the year		(276)	(228)	(92)	(16)
Unrestricted comprehensive income for the year		(68,677)	(68,700)	(34,317)	(34,019)
Unrealised surplus/(loss) on revaluation of tangible assets		86,943	86,943	(1,659)	(1,659)
Attributable to the University		18,019	18,044	(36,035)	(35,661)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 23 to 65 form part of these financial statements.

Consolidated Statement of Changes in Reserves

Consolidated	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2018	2,636	379	219,260	66,998	289,273
Surplus/(deficit) from the income and expenditure statement	-	(92)	955	-	863
Other comprehensive income	-	-	(36,931)	-	(36,931)
Transfers between revaluation and income and expenditure reserve	-	-	1,659	(1,659)	-
Endowment funding	33	-	-	-	33
Total comprehensive income for the year	33	(92)	(34,317)	(1,659)	(36,035)
Balance at 1 August 2019	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
Total comprehensive income for the year	29	(276)	(68,677)	86,943	18,019
Balance at 31 July 2020	2,698	11	116,266	152,282	271,257
University	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2018	2,636	72	219,589	66,998	289,295
Surplus/(deficit) from the income and expenditure statement	-	(16)	1,253	-	1,237
Other comprehensive income	-	-	(36,931)	-	(36,931)
Transfers between revaluation and income and expenditure reserve	-	-	1,659	(1,659)	-
Endowment funding	33	-	-	-	33
Total comprehensive income for the year	33	(16)	(34,019)	(1,659)	(35,661)
Balance at 1 August 2019	2,669	56	185,570	65,339	253,634
Surplus/(deficit) from the income and expenditure statement	-	(228)	(1,531)	-	(1,759)
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
Total comprehensive income for the year	29	(228)	(68,700)	86,943	18,044
Balance at 31 July 2020	2,698	(172)	116,870	152,282	271,678

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

Consolidated and University Statement of Financial Position

	Notes	As at 31 July 2020		As at 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	373,306	372,999	280,213	279,818
Investments	12	32	82	32	82
		373,338	373,081	280,245	279,900
Current assets					
Trade and other receivables	14	14,355	15,171	15,673	16,168
Investments	15	53,680	53,680	54,226	54,226
Cash and cash equivalents	21	83,584	83,497	77,062	76,925
		151,619	152,348	146,961	147,319
Less: Creditors: amounts falling due within one year	16	(32,838)	(32,890)	(34,306)	(33,923)
Net current assets		118,781	119,458	112,655	113,396
Total assets less current liabilities		492,119	492,539	392,900	393,296
Creditors: amounts falling due after more than one year	17	(30,850)	(30,850)	(26,773)	(26,773)
Provisions					
Pension provisions	18	(190,012)	(190,012)	(112,889)	(112,889)
Total net assets		271,257	271,677	253,238	253,634
Restricted Reserves					
Income and expenditure reserve - endowment	20	2,698	2,698	2,669	2,669
Income and expenditure reserve - restricted		11	(173)	287	56
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		116,266	116,870	184,943	185,570
Revaluation reserve		152,282	152,282	65,339	65,339
Total Reserves		271,257	271,677	253,238	253,634

The financial statements on pages 37 to 65 were approved by the University Council on 25 November 2020 and were signed on its behalf by:

The accompanying notes and policies on pages 23 to 65 form part of these financial statements.

PROFESSOR R A CRYAN, CBE
Vice-Chancellor

MR J THORNTON
Chair

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020

Consolidated Statement of Cash Flows

	Notes	31 July 2020 £'000	31 July 2019 £'000
Cash flow from operating activities			
Surplus for the year before taxation		(1,798)	845
Adjustment for non-cash items			
Depreciation	11	9,730	8,289
Gain on investment		2,606	(308)
Decrease in debtors		1,353	(1,443)
(Decrease)/increase in creditors		(523)	1,030
Write down on revaluation		1,579	-
Increase in pension provision		8,295	15,549
Adjustment for investing or financing activities			
Investment income	5	(2,949)	(3,099)
Taxation	10	14	18
Endowment income		(1)	(8)
Capital grant income		(4,013)	(2,275)
Net cash inflow from operating activities		14,293	18,598
Cash flows from investing activities			
Capital grant receipts		7,145	4,546
Withdrawal of deposits		(2,032)	(1,911)
Investment income		2,914	2,843
Payments made to acquire fixed assets		(15,800)	(41,000)
New deposits		1	1
		(7,772)	(35,521)
Cash flows from financing activities			
Endowment cash received		1	1
		1	1
Increase/(Decrease) in cash and cash equivalents in the year		6,522	(16,922)
Cash and cash equivalents at beginning of the year	21	77,062	93,984
Cash and cash equivalents at end of the year	21	83,584	77,062

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS

	Year Ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts				
Taught awards				
Full-time home and EU students	97,057	97,057	92,646	92,646
Full-time international students	29,027	29,027	26,663	26,663
Part-time students	3,378	3,378	2,749	2,749
NHS Workforce Development Confederation Contracts	1,033	1,033	5,800	5,800
Educational Contracts	2,997	2,997	3,211	3,211
Non-qualifying				
Research Training Support Grant	127	127	252	252
Non Credit Bearing Course Fees	1,060	1,036	1,336	1,324
	134,679	134,655	132,657	132,645
2 Funding body grants				
Recurrent grant				
Office for Students	7,553	7,553	7,969	7,969
UK Research and Innovation	6,108	6,108	5,524	5,524
Specific grants				
Higher Education Innovation Fund	1,296	1,296	1,213	1,213
Office for Students Other	-	-	3	3
Department for Education	185	185	150	150
Capital grant	900	900	1,188	1,188
	16,042	16,042	16,047	16,047

Income from capital grants includes £900k in respect of capital grants released in the year (2018/19: £1,188k)

3 Research grants and contracts				
Research councils	4,818	4,818	5,450	5,450
Research charities	849	812	800	777
Government (UK and overseas)	3,003	2,936	3,845	3,813
Industry and commerce	2,732	1,948	2,257	1,275
Other	97	97	322	322
	11,499	10,611	12,674	11,637

Income from capital grants includes £882k in respect of capital grants released in the year (2018/19: £882k)

4 Other income				
Other services rendered	3,045	1,671	3,609	1,956
Catering and conferences	1,021	979	1,439	1,360
Other capital grants	565	565	635	635
Coronavirus job retention scheme	1,156	1,126	-	-
Other income	2,427	2,709	2,351	2,859
	8,214	7,050	8,034	6,810

Income from capital grants includes £564k in respect of capital grants released in the year (2018/19: £635k)

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

Grant and Fee income				
OfS - Grant income from the OfS	7,553	7,553	7,969	7,969
Other bodies - Grant income from other bodies	13,307	13,307	13,528	13,528
Taught - Fee income for taught awards (exclusive of Vat)	128,096	128,096	125,246	125,246
Research awards - Fee income for research awards (exclusive of Vat)	2,398	2,398	2,612	2,612
Non-qualifying - Fee income from non-qualifying courses (exclusive of Vat)	4,184	4,161	4,799	4,787
	155,538	155,515	154,154	154,142

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

		Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Investment income					
Investment income on endowments	20	2	2	5	5
Gains on unit-based investments		2,077	2,077	1,951	1,951
Interest on short term deposits		870	869	1,148	1,147
Other investment income		-	47	-	48
		2,949	2,995	3,104	3,151
6 Donations and endowments					
New endowments	20	1	1	1	1
		1	1	1	1
7 Staff costs					
Salaries		82,760	81,455	78,752	77,237
Social security costs		8,765	8,722	8,401	8,315
Pension costs (note 26)		20,673	20,619	25,915	25,853
Total		112,198	110,796	113,068	111,405

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, the University's Gender Pay Gap Report 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: Received the Guardian University Award for Course Curriculum. Maintained our No.1 ranking in the Teaching Qualifications table. Top 10 for Destination of Leavers in Higher Education.

Innovative: Captured major grants including £3.5m for a Pantograph Test Rig, £2.2m for next generation of 3D printers, €2.7m for intersex issues and €1.2m for 5G. Ranked 12th for number of KTPs. 3M BIC received a National Technology Award.

International: Performing Arts ranked 27th on QS World Rankings. China joint programme became operational and the University signed an agreement for the opening of a Confucius Institute.

Staff: 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 and performing ahead of Cambridge, Warwick and Imperial for % of staff with PhDs. Winner of the CMI Outstanding Innovation Award.

Finance: Ranked first amongst mainstream universities in the HESA Financial Security Index.

Estates: Completion of the Barbara Hepworth and Science buildings. The Barbara Hepworth Building went on to win the Building Project of the Year for its design, construction, educational vision and contribution to the local community. The Building also won in its category in the annual Northern Design Awards will be completed on time and in budget. Awarded Catering Team of the Year and Director of Estates and Facilities awarded Lifetime Achievement Award.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

The HOI is one of the most experienced Vice-Chancellors in the United Kingdom and during his tenure the University has received many awards including:

- Times Higher Education Outstanding Leadership and Management Team
- Times Higher Education Outstanding Strategic Management Team
- Queen's Anniversary Prize for Higher Education
- Queen's Award for Enterprise
- Gold Award in the Teaching Excellence Framework
- Times Higher Education University of the Year
- Times Higher Education Entrepreneurial University of the Year

The Vice-Chancellor's personal contributions have also been recognised through further awards and honours including:

- Commander of the Order of the British Empire (CBE)
- The Guardian Inspiring University Leader Award
- Companionship of the Chartered Management Institute

The committee considered the contribution of the HOI, by reference to his appraisal which assessed progress.

Vice-Chancellor's Remuneration Package

VC total remuneration package	2019/20	2018/19	2017/18	2016/17
Basic salary	336,042	336,042	326,254	314,613
Pension contribution (standard USS rate)	-	-	59,214	56,630
Payment in lieu of pension (standard USS rate)	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>385,468</u>	<u>371,243</u>

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 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.

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 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.

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
31/07/2018	£26,737	£326,254	12.20
31/07/2019	£28,925	£336,042	11.62
31/07/2020	£29,446	£336,042	11.41

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Number	Number
£100,000 to £104,999	6	6
£105,000 to £109,999	4	2
£110,000 to £114,999	1	-
£115,000 to £119,999	1	2
£120,000 to £124,999	-	-
£125,000 to £129,999	-	1
£130,000 to £134,999	2	1
£135,000 to £139,999	-	-
£140,000 to £144,999	-	2
£145,000 to £149,999	-	1
£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	-	-
£175,000 to £179,999	-	1
£180,000 to £184,999	1	-
	18	17

Average staff full time equivalent (FTE) staff by major category :

	Year Ended 31 July 2020 FTE	Year Ended 31 July 2019 FTE
Teaching departments	1,178	1,161
Teaching support services	261	253
Administration and central services	188	183
Premises	188	188
Other	104	104
	1,919	1,889

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 2019/20

The University paid £2,083,000 to 100 employees compensation for the loss of office during the year (2018/19: £645,000 paid to 38 employees).

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2020 £'000	Year Ended 31 July 2019 £'000
Key management personnel compensation	1,922	1,869

8 Interest and other finance costs

	Year Ended 31 July 2019		Year Ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Local government pension scheme	2,152	2,152	1,572	1,572
Universities superannuation scheme	119	119	52	52
	2,271	2,271	1,624	1,624

9 Analysis of total expenditure by activity

	Year Ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	69,060	67,850	67,256	66,550
Academic Services	26,831	26,929	25,582	25,657
Administration and central services	32,498	32,219	28,582	28,551
Premises (including service concession cost)	18,825	18,824	18,791	18,579
Catering and conferences	1,539	1,492	1,533	1,429
Research grants and contracts	10,690	10,946	12,425	11,431
Other expenses	13,133	12,247	17,811	17,167
	172,576	170,507	171,980	169,364
Other operating expenses include:				
External auditors remuneration in respect of audit services	66	57	54	45
External auditors remuneration in respect of non-audit services	27	27	29	29
External auditors remuneration in respect of taxation advice	13	9	12	2

Services are inclusive of VAT for the University.

9b Access and Participation

Access investment	1,213	1,213
Financial support	787	787
Disability support	998	998
Research and evaluation	84	84
	3,082	3,082

- £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.
- As 2019/20 is the first year of requirement, no comparatives are required for previous year, as access and participation plans were not in place prior to 1 August 2019.
- 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/>

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

10 Taxation

	Consolidated and University	
	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Recognised in the statement of comprehensive income		
Current tax	(2)	(2)
Deferred tax	(12)	(16)
Total tax expense	(14)	(18)

11 Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Consolidated					
Cost or valuation					
At 1 August 2019	234,118	584	33,508	53,916	322,126
Additions	3,860	-	2,141	9,799	15,800
Transfers	45,143	-	6,526	(51,669)	-
Surplus on revaluation	101,596	75	-	-	101,671
Write down on revaluation	(40,104)	(50)	(1,044)	-	(41,198)
Impairment	(1,578)	-	-	-	(1,578)
At 31 July 2020	343,035	609	41,131	12,046	396,821
Consisting of valuation as at:					
31 July 2020 valuation	343,035	565	10,288	2,467	356,355
Cost	-	44	30,843	9,579	40,466
	343,035	609	41,131	12,046	396,821
Depreciation					
At 1 August 2019	20,621	68	21,224	-	41,913
Charge for the year	6,413	11	3,306	-	9,730
Written back on revaluation	(27,034)	(50)	(1,044)	-	(28,128)
At 31 July 2020	-	29	23,486	-	23,515
Net book value					
At 31 July 2020	343,035	580	17,645	12,046	373,306
At 31 July 2019	213,497	516	12,284	53,916	280,213
University					
Cost and valuation					
At 1 August 2019	234,118	584	32,811	53,917	321,430
Additions	3,860	-	2,141	9,799	15,800
Transfers	45,143	-	6,526	(51,669)	-
Surplus on revaluation	101,596	75	-	-	101,671
Write down on revaluation	(40,104)	(50)	(1,044)	-	(41,198)
Impairment	(1,578)	-	-	-	(1,578)
At 31 July 2020	343,035	609	40,434	12,047	396,125
Consisting of valuation as at:					
31 July 2020 valuation	343,035	565	10,288	2,467	356,355
Cost	-	44	30,146	9,580	39,770
	343,035	609	40,434	12,047	396,125
Depreciation					
At 1 August 2019	20,621	68	20,923	-	41,612
Charge for the year	6,413	11	3,218	-	9,642
Written back on revaluation	(27,034)	(50)	(1,044)	-	(28,128)
At 31 July 2020	-	29	23,097	-	23,126
Net book value					
At 31 July 2020	343,035	580	17,337	12,047	372,999
At 31 July 2019	213,497	516	11,888	53,917	279,818

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 July 2020, freehold land and buildings included £9.7m (2018/19 - £9.8m) in respect of freehold land that is not depreciated.

Within tangible fixed assets at 31 July 2020 there were £12m (2018/19 - £53.7m) 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 £111m have been partially funded from Treasury sources. A repayment of funding would only occur in exceptional circumstances.

12 Non-Current Investments

	Subsidiary companies	Other investments	Total
	£'000	£'000	£'000
Consolidated			
At 1 August 2019	-	32	32
At 31 July 2020	-	32	32
University			
At 1 August 2019	50	32	82
At 31 July 2020	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
The University of Huddersfield Innovation Centre Limited (HEICL)	Facilities management, research collaboration and business development	100% owned
The University of Huddersfield Properties Limited (UHPL)	Dormant company	100% owned
Wetlands & Natural Resources Development Limited (WNRDL)	Dormant company	100% owned

14 Trade and other receivables

Amounts falling due within one year:

	As at 31 July 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other trade receivables	6,342	5,464	4,907	4,013
Other receivables	27	27	184	184
Prepayments and accrued income	7,986	7,688	10,582	10,576
Amounts due from subsidiary companies	-	1,992	-	1,395
	14,355	15,171	15,673	16,168

Included in amounts due from subsidiary companies is the sum of £1,927k due after more than one year.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Current Investments

	As at 31 July 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unit-based investments	52,365	52,365	52,911	52,911
Deposits	1,315	1,315	1,315	1,315
	53,680	53,680	54,226	54,226

Sums are held with investment managers, Cazenove, HSBC 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 and HSBC 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 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Payments received in advance	17,314	16,818	17,786	17,514
Trade creditors	2,287	2,279	2,613	2,599
Social security and other taxation payable	319	319	342	342
Accruals and deferred income	9,689	10,078	11,078	11,049
Deferred taxation	12	-	24	-
Deferred capital grants	3,132	3,132	2,410	2,410
Amounts due to subsidiary company	-	211	-	-
Other creditors	85	53	53	8
	32,838	32,890	34,306	33,922

17 Creditors : amounts falling due after more than one year

	As at 31 July 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred capital grants	30,850	30,850	26,773	26,773
	30,850	30,850	26,773	26,773

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 2019	7,547	187	105,155	112,889
Increase/(decrease) in year	-	-	-	-
Transfer from income and expenditure	(3,484)	(15)	80,622	77,123
At 31 July 2020	4,063	172	185,777	190,012

See note 26 for pension obligations.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

USS

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.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 26. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As a consequence the deficit provision has decreased significantly from the prior year of which £6,046,000 is due to the change in the deficit contributions contractual commitment.

The major assumptions used to calculate the obligation are:

	2020	2019
Discount rate	0.73%	1.58%
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 2020	Approximate impact	
	£'000	
0.5% pa decrease in discount rate	99	
0.5% pa increase in salary inflation over duration	96	
0.5% pa increase in salary inflation year 1 only	20	
0.5% increase in staff changes over duration	100	
0.5% increase in staff changes year 1 only	20	
1% increase in deficit contributions	44	

19 Financial Instruments

	As at 31 July 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Held at fair value:				
Unit-based investments	52,365	52,365	52,911	52,911
Deposits	1,315	1,315	1,315	1,315
Held at amortised cost:				
Bank and cash	83,584	83,497	77,062	76,925
Trade and other debtors	11,849	12,262	12,597	12,589
	149,113	149,439	143,885	143,740

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 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial liabilities:				
Creditors falling due within one year	12,061	12,410	13,744	13,657
	12,061	12,410	13,744	13,657

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

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2020 Total £'000	2019 Total £'000
Balances at 1 August 2019				
Capital	2,390	232	2,622	2,625
Accumulated income	47	-	47	11
	<u>2,437</u>	<u>232</u>	<u>2,669</u>	<u>2,636</u>
New endowments	-	1	1	1
Investment income	27	2	29	40
Expenditure	-	(1)	(1)	(8)
Total endowment comprehensive income for the year	<u>27</u>	<u>2</u>	<u>29</u>	<u>33</u>
At 31 July 2020	<u><u>2,464</u></u>	<u><u>234</u></u>	<u><u>2,698</u></u>	<u><u>2,669</u></u>
Represented by:				
Capital	2,425	234	2,659	2,622
Accumulated	39	-	39	47
	<u>2,464</u>	<u>234</u>	<u>2,698</u>	<u>2,669</u>
Analysis by type of purpose:				
Scholarships and bursaries	254	-	254	252
Research support	2,144	-	2,144	2,120
Prize funds	66	234	300	297
	<u>2,464</u>	<u>234</u>	<u>2,698</u>	<u>2,669</u>
Analysis by asset				
Accrued income			200	400
Cash & cash equivalents			2,498	2,269
			<u>2,698</u>	<u>2,669</u>

The University has the following individually material endowments:

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

21 Cash and cash equivalents

	Consolidated At 1 August 2019 £'000	Cash Flows £'000	Consolidated At 31 July 2020 £'000
Cash and cash equivalents	77,062	6,522	83,584
	<u>77,062</u>	<u>6,522</u>	<u>83,584</u>

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Consolidated reconciliation of net debt

The University has no loans.

23 Capital and other commitments

	As at 31 July 2020		As at 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	525	525	3,211	3,211

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 2020 £'000	Year Ended 31 July 2019 £'000
Payable during the year	36	42
Future minimum lease payments due:		
Not later than 1 year	33	32
Later than 1 year and not later than 5 years	45	77
Later than 5 years	-	-
Total lease payments due	78	109

26 Pensions and Other Obligations

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 £20,673,000 (2018/19: £25,915,000), analysed as follows

	Year Ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
West Yorkshire Pension Scheme	15,447	15,399	14,360	14,308
Teachers' Pension Scheme	7,031	7,025	4,891	4,887
Universities Superannuation Scheme	(1,812)	(1,812)	6,659	6,658
NEST	7	7	5	-
	20,673	20,619	25,915	25,853

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

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 1st 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 (£3,603k) (2018/19 : £6,659k).

Deficit recovery contributions due within one year for the institution are £176k (2018/19 : £150k).

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.

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 UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

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	<p>2018 Valuation <u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p><u>Post retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.</p>
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:

	2018 Valuation	2017 Valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

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 2019 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	0.73%	1.58%
Pensionable salary growth	4.00%	4.00%

In the year ended 31 July 2019, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

A further full valuation as at 31 March 2020 is currently underway. As the valuation has only recently commenced 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 must be completed by 30 June 2021. However it is generally anticipated that there will be a significant increase in the deficit provision as at 31 July 2021 (assuming the valuation is completed by then).

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 2020 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 14.2% until 31 March 2020, from 1 April 2020 at the rate of 16.7% of pensionable salaries.

Assumptions

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

	At 31 July 2020	At 31 July 2019
Price Inflation (CPI)	2.3%	2.2%
Rate of increase in salaries	3.6%	3.5%
Rate of increase of pensions in payment for WYPF members	2.3%	2.2%
Discount rate	1.4%	2.1%

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.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

	Male (years)		Female (years)	
	Pensioner	Non-Pensioner	Pensioner	Non-Pensioner
At 31 July 2019	22.2	23.2	25.4	27.2
At 31 July 2020	21.8	22.5	24.6	25.7

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 2020 £'000	31 July 2019 £'000	31 July 2018 £'000
Equities	144,259	153,151	133,991
Government bonds	18,566	19,290	19,398
Other bonds	9,283	7,015	6,286
Property	7,983	8,378	7,544
Cash	2,971	4,092	3,951
Other	2,599	2,923	8,442
	185,661	194,849	179,612

The tables below include disclosures for the WYPF

	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Analysis of the amount shown in the statement of financial position for WYPF		
Scheme assets	185,661	194,848
Scheme liabilities	(371,438)	(300,003)
Deficit in the scheme - net provision	(185,777)	(105,155)
Deficit in the scheme – net pension liability recorded within pension provision (Note 18)		
Current service cost	(15,020)	(9,251)
Past service costs	(54)	(4,565)
Total operating charge	(15,074)	(13,816)
Analysis of the amount charged to interest for WYPF		
Interest cost	(6,252)	(6,588)
Expected return on assets	4,100	5,016
Net charge to other finance income	(2,152)	(1,572)
Analysis of other comprehensive income for WYPF		
Gain on assets	(13,951)	10,603
Experience gains/(losses) on liabilities	(54,877)	(46,617)
Total other comprehensive income before deduction for tax	(68,828)	(36,014)

History of experience gains and losses - WYPF

	Year to: 31 July 2020	31 July 2019	31 July 2018	31 July 2017	31 July 2016
Difference between actual and expected return on scheme assets:					
Amount (£'000)	(13,951)	10,603	8,622	13,297	10,183
% of assets at end of year	8	5	5	8	8
Experience gains/(losses) on scheme liabilities:					
Amount (£'000)	(54,877)	(46,617)	3,856	7,702	(37,736)
% of liabilities at end of year	15	16	2	3	17

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

	At 31 July 2020 £'000	At 31 July 2019 £'000
Cumulative actuarial loss recognised as other comprehensive income for WYPF		
Cumulative actuarial assets recognised at the end of the year	185,661	194,848
Cumulative actuarial losses recognised at the end of the year	(371,438)	(300,003)
Analysis of movement in surplus/(deficit) for WYPF		
Deficit at beginning of year	(105,155)	(57,797)
Contributions or benefits paid by the University	5,432	4,961
Current service cost	(15,020)	(9,251)
Past service cost	(54)	(4,565)
Settlement cost	-	-
Net decrease in assets	-	(917)
Other finance charge	(2,152)	(1,572)
Loss/(gain) recognised in other comprehensive income	(68,828)	(36,014)
Deficit at end of year	(185,777)	(105,155)
Analysis of movement in the present value of WYPF	300,003	237,410
Present value of liabilities at the start of the year		
Current service cost (net of member contributions)	15,020	9,251
Past service cost	54	4,565
Settlement costs	-	-
Recorded within other comprehensive Income	6,252	6,588
Actual member contributions (including notional contributions)	2,355	2,273
Actuarial loss/(gain)	54,877	46,617
Actual benefit payments	(7,123)	(6,701)
Present value of liabilities at the end of the year	371,438	300,003
Analysis of movement in the fair value of scheme assets	At 31 July 2020 £'000	As at 31 July 2019 £'000
Fair value of assets at the start of the year	194,848	179,613
Expected return on assets	4,100	5,016
Actuarial gain on assets	(13,951)	10,603
Actual contributions paid by University	5,432	4,961
Actual member contributions (including notional contributions)	2,355	2,273
Actual benefit payments	(7,123)	(6,701)
Settlements	-	(917)
Fair value of scheme assets at the end of the year	185,661	194,848

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

	At 31 July 2020 £'000	At 31 July 2019 £'000
Actual return on Scheme assets		
Interest income on scheme assets	4,100	5,016
Asset gain	(13,951)	10,603
	(9,851)	15,619

Estimated contributions for WYPF in the Financial Year 2020/21 are £5.8m.

27 Related Party Disclosures

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 OF HUDDERSFIELD
For the Year ended 31 July 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

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	2	-	-	-
Universities & Colleges Admissions Services (UCAS)	Prof R A Cryan	-	51	-	-
Yorkshire Universities	Prof R A Cryan	-	43	-	20
Huddersfield University Students Union	Mr E Haruna	99	1,113	11	-
Hudlets	Mr E Haruna	-	20	-	-
Huddersfield Contemporary Music Festival	Baroness K Pinnock	1	49	-	-
Public Health England	Ms T Magennis	-	6	-	-
Northern Consortium UK (NCUK)	Prof David Taylor	-	106	-	23
HESA Ltd	Mr A McConnell	-	73	-	-
Smart Component Technologies Ltd	Mr A McConnell	37	-	-	-
UNIAC	Mr A McConnell	-	126	-	-

Council Members

No Council Members have received any remuneration/waived payments from the University during the year (2018/19 – None).

The total expenses paid to or on behalf of 16 Council members was £745 (2018/19 - £330 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 2020	Year Ended 31 July 2019
	£'000	£'000
Initial teacher training bursaries		
Funds received	2,078	1,353
Disbursed to students	(2,078)	(1,353)
	-	-

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 scope of this exercise covers a wide range of potential outcomes - reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general - but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn.

This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn).

At this stage, an outcome is far from agreed and the USS Trustee has until 30 June 2021 to conclude the valuation. As an early indication of the scale of impact though, it has been estimated that the cost of continuing to offer current benefits in this context could reach between 40.8% to 67.9% of payroll. However, this is range is purely an illustration and is before any other measures are considered to reduce the deficit and is still being widely debated across the sector and by the Trustee of the Pension Scheme. For the 2019/20 financial year however, this is considered a non-adjusting event.



Life saving lullabies

A team of researchers is working with a group of women in Zambia to create songs to warn against the dangers of coronavirus. They are harnessing the power of song to spread vital healthcare messages – including Covid-19 precautions – among African women. The project – titled Life-Saving Lullabies – has earned major funding from Britain’s Arts and Humanities Research Council (AHRC) and has been developed by Dr James Reid and Professor Barry Doyle in collaboration with Professor David Swann at Sheffield Hallam University.

As well as donating large quantities of protective gear for frontline health workers, scientists at the University responded to a request from the Government for high-tech equipment to increase the testing of the public for coronavirus. A network of facilities known as Lighthouse Labs was established, but to scale up their work the Government needed larger numbers of advanced polymerase chain reaction (PCR) machines. These can take a tiny sample of DNA and amplify it so that it can be studied in detail. The School of Applied Sciences was able to loan its ThermoFisher 7500-Fast PCR machine, used for forensics courses, which helped the Government with its target of carrying out 100,000 Covid-19 tests every day.

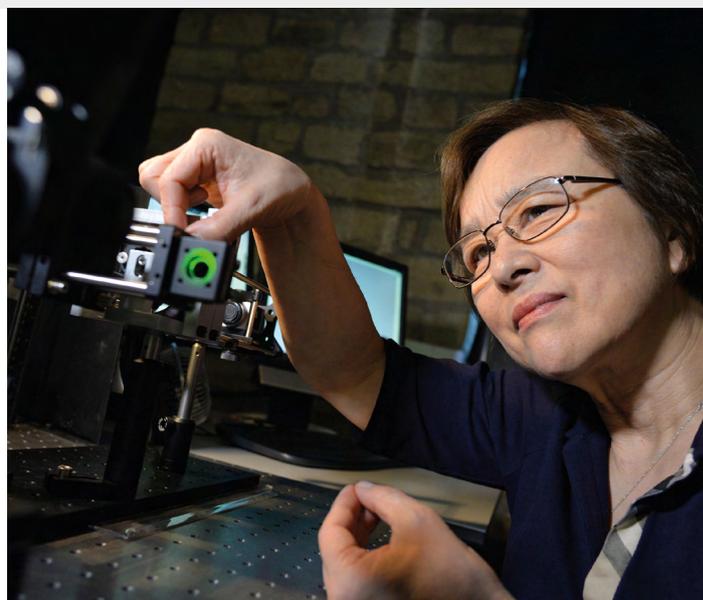


University loans DNA sampler to the Government for Covid-19 testing

University scientists have been awarded more than £5million for a five-year research project that will accelerate a new industrial revolution by developing techniques for ultra-accurate measurement on a nanoscale.

An ensemble of miniaturised sensors will enable automated production lines to detect and correct errors in situ. This will deliver greater efficiency and cost savings plus the manufacture of bespoke items with unprecedented accuracy.

World leaders in metrology, Huddersfield’s Centre for Precision Technology will share the grant to work on the new programme. It will be led by Professor Dame Xiangqian (Jane) Jiang, who was appointed a member of the Science, Engineering and Technology Board of the Engineering and Physical Sciences Research Council (EPSRC) in March.



Professor Dame Xiangqian Jiang



Teaching Excellence Framework

