



UNIVERSITY
OF HULL

Annual Report and Statement of Accounts 2022

1 AUGUST 2021 TO 31 JULY 2022



TEAM GB



OFFICIAL PARTNER



Professional Advisors

University of Hull
Cottingham Road
Hull
HU6 7RX

External auditors

Grant Thornton UK LLP
1 Whitehall Riverside
Leeds
LS1 4BN

Bankers

Lloyds Bank
2nd Floor, Lisbon House
116 Wellington Street
Leeds
LS1 4LT

Lawyers

Mills & Reeve
1 City Square
Leeds
LS1 2ES

Contents

Foreword4

Strategic Review..... 6

 Our People8

 Our Partnerships10

 Our Place.....14

 Our Performance16

Financial review18

Principal risks and uncertainties24

Environmental, Social and Governance Review26

 Environmental sustainability27

 Social justice and inclusion.....30

 Corporate governance32

Independent auditor’s report to the Council of the University of Hull38

Statement of Comprehensive Income and Expenditure.....42

University statement of changes in reserves43

Balance sheet.....44

Consolidated cash flow.....45

Statement of Principal Accounting Policies46

Notes to the accounts52

Foreword

It is our great pleasure to introduce this review of the University’s many achievements over the last twelve months.

The academic year culminated in a joyous two weeks of ceremonies marking the graduation of 5,000 of our students from the classes of 2021 and 2022. Always a proud occasion for the University, this summer’s degree congregations were a particularly special moment as we celebrated the remarkable accomplishments, resilience and fortitude of our students—and of our wider University community—in the face of the challenges wrought by the coronavirus pandemic. On which note, we were also delighted to honour Hull PhD graduate Professor Dame Sarah Gilbert among the twelve highly distinguished individuals presented with honorary degrees this summer. It was, of course, the work of Dame Sarah and her colleagues in developing the Oxford-AstraZeneca COVID-19 vaccine, as well as that of teams working on similar vaccines around the world, that has enabled us to hold large-scale graduation ceremonies once more and restored the vibrancy and heart to our campus over the last year.

While our University Strategy 2030 has been in place since December 2020, we were delighted to be able finally to celebrate its formal launch in person with staff and students in February 2022. Coming together as a University community, we examined the global challenges that provide the motivation for our Strategy, and explored the diverse ways our work is already tackling social injustices and threats to environmental sustainability. The launch event provided an inspirational start to a programme of engagement and dialogue across the institution on the ways we will work together to deliver Strategy 2030 and our vision for a fairer, brighter, carbon neutral future.

Launched this year, our Inclusive Education Framework is just one example of our Strategy in action. Using the Framework and associated toolkit, our staff and students are working in partnership to ensure that each member of our diverse student body has an equal opportunity to succeed in their education. We are proud to be leading the way in this area, with our Framework providing the foundation for a project funded by the QAA to embed inclusive educational practices across the sector.

At the COP26 global climate summit in Glasgow, we were honoured to have the opportunity to showcase the University’s research on low-carbon energy, flood resilience and the intersection between the climate challenge and social injustice. A delegation from the University attended both the COP26 Blue Zone, the UN-managed space hosting the negotiations, and the public Green Zone. A live performance exploring young people’s eco-anxiety and their role in leading climate change adaptation, delivered as part of the MELT partnership between the University and the National Youth Theatre, was among the many highlights from our contributions to the summit. Elsewhere, colleagues participated in a range of panel discussions examining topics such as the future skills agenda for the offshore wind industry and the leading role of the city of Hull in the UK’s transition to net zero. At our interactive exhibit *SuDSi*, summit delegates were able to learn more about the role of sustainable urban drainage systems in mitigating the increased flood risks caused by climate change, while our video game *Crabby’s Reef* offered delegates an opportunity to explore the impact of climate change and ocean acidification on marine habitats.

The vision and themes of our Strategy 2030 are closely aligned with the UN Sustainable Development Goals (SDGs). The global significance of our work was recognised in the 2022 Times Higher Education Impact Rankings, when the University rose to be ranked 81st in the world based on the contribution of our research, teaching, outreach and stewardship to delivering the SDGs. We were particularly pleased to be ranked within the global top 25—and UK top 10—in relation to the SDGs on *Life Below Water; Peace, Justice and Strong Institutions; and Partnership for the Goals*. The quality and impact of our research was also confirmed by the results of the 2021 Research Excellence Framework (REF) published in May. Testament to the talent of our researchers, we were delighted to secure above-sector improvements across all aspects of the REF, with the proportion of research assessed to be world-leading having doubled since 2014 and the University rising to be ranked 42nd on the impact of our research.

These achievements, and those presented throughout this Annual Report, are among the many successes that illustrate the pace and scale of the University’s transformation since 2018. Restoring the institution’s financial sustainability and academic performance, even during the difficult period of the pandemic, is the result of significant commitment and collective hard work by our staff and students. The turnaround in the University’s fortunes enabled us this year to secure the confidence of UK and US investors and attract £86 million of funding through a private placement. Issued under a Green Finance Framework, the funding is being invested in fulfilling our commitment to becoming a net zero campus in 2027 and upgrading our academic infrastructure to provide the high quality (and carbon neutral) education and research facilities that are key to delivering our Strategy 2030.

Our community was outraged by the Russian invasion of Ukraine in February, and we remain deeply concerned about the devastating humanitarian crisis that continues to unfold. In solidarity with the students and staff of Ukraine’s educational institutions, the University was honoured to enter a formal twinning agreement with Mariupol State University (MSU), Ukraine in June 2022. While the initial focus of the partnership is on supporting MSU to resume teaching from their new base in Kyiv, longer-term plans for academic collaboration include the development of double degree programmes, opportunities for academic mobility and shared online educational resources.

As a new academic year begins, the world is facing much uncertainty, with the impact of the conflict in Ukraine and the cost of living crisis among the immediate global challenges. Meanwhile, within English higher education, regulatory pressure continues to increase and the political recognition of the importance of strong, healthy universities as a driver for economic and social growth remains unclear. Institutions across the sector are grappling with the impact of a declining unit of resource amid mounting inflation and are seeking to address complex issues in areas such as freedom of speech, grade inflation and student mental health and wellbeing.

While September 2022 marks a moment of transition in the leadership of the University, the resilient and assured identity forged through our successful transformation, and the clarity of purpose embodied in our compelling ten-year Strategy 2030, provide stability and continuity. The University is in a strong position to face future risks and seize new opportunities with confidence, and we look forward to all that our University community will achieve together in the years ahead.

George Garlick OBE
Chair of Council

Professor Susan Lea
Vice-Chancellor
(to 31 August 2022)

Professor Dave Petley
Vice-Chancellor
(from 1 September 2022)

Strategic Review

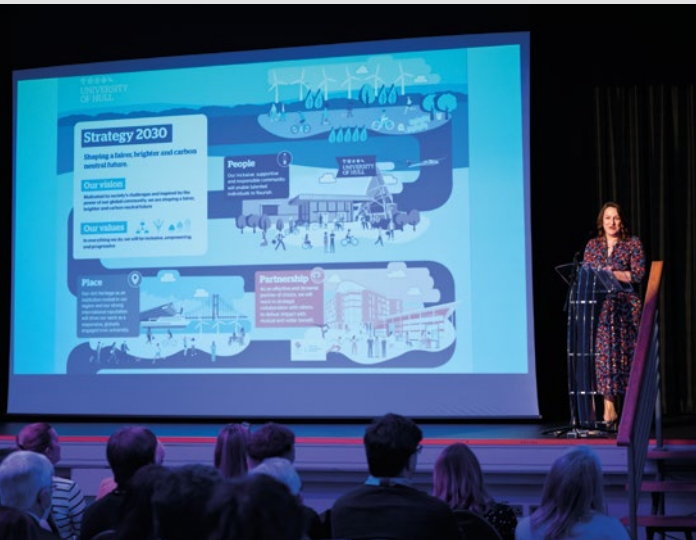
Our Strategy 2030

Our commitment to a fairer and more sustainable future

From the accelerating impacts of climate change to growing inequalities, now is the time to confront the major challenges our world is facing.

This is a difficult and daunting task, but universities are uniquely equipped to be at the forefront of this mission, with the brightest of minds, fiercest of passions and an effective ecosystem of partners. At Hull, we are driven by our duty to provide answers to society's challenges through research and innovation, to educate a community of people able to address these challenges and to act as an exemplar for organisations in a just transition to a sustainable world.

Our Strategy 2030 speaks directly to who we are: confident, ambitious and inspired by our global community to address society's greatest challenges. It provides a roadmap for our contribution to tackling these challenges and sets out how we will work in collaboration to create a fairer, brighter and carbon neutral future.



Bringing our Strategy to life

Developed following a comprehensive programme of engagement with our students and staff to explore what a fairer, brighter and carbon neutral future means to them, Strategy 2030 was officially launched across our community in February 2022.

Coming together online and in person, staff, students and alumni were invited to celebrate collectively, as inspirational speakers, writers and performers brought the Strategy to life through thought-provoking poetry, pledges and performances.

Strategy stands were also positioned across campus to encourage meaningful conversations about how each member of our community has a role to play in delivering Strategy 2030, through embodying its values and embedding its goals in their work.





Our People

People are at the heart of what we do. We exist to transform lives and to support individuals and communities to flourish, and our creative and committed students and staff are the key to achieving these ambitions.

“Our People Strategy will help strengthen our diverse community of talented and motivated individuals, and create a workplace where everyone feels respected and supported to realise their potential.

Sarah Wilson,
Chief People Officer

The diversity of experience and life skills of our students is invaluable in helping us to shape the fairer, brighter future to which we aspire. Based in an area of significant deprivation, we take particular pride in providing opportunities for individuals from less advantaged backgrounds to participate and succeed in higher education. Over half of new entrants to the University come from low participation neighbourhoods, a proportion more than 20 percentage points above the sector average.¹ Regardless of whether our students came from a low or high participation neighbourhood, 94% have successfully progressed into employment or further study within fifteen months of graduating, achieving outcomes at or above sector averages.²

Our research engages with people and communities whose voices are not heard to develop solutions that are real and meaningful. For example, drawing on methodologies from psychology, memory science and the creative arts, our researchers have worked with more than 12,000 marginalised young people and women to support their self-expression and give voice to stories about their experiences. One of the resulting outputs, the play REF! about one of the first women to referee men's Rugby League matches in England and Australia, was premiered in Hull before touring community settings and Rugby League clubs, and is due to be performed at the Houses of Parliament at the invitation of the All-Party Parliamentary Group for Rugby League.

Similarly, our human geography researchers have worked with users of food support services in Hull to understand the impact of the COVID-19 pandemic on food insecurity among people living in areas of high deprivation. The pilot research findings, which indicated that food availability and food access are the key dimensions to food insecurity in Hull, were presented at the Hungry for Change Food summit in September 2021 and are informing the development of a three-year food poverty action plan for the city.

Our new People Strategy, developed this year with engagement and input from across our staff community, will enable us to achieve strategic aims around resource management; attracting and investing in the best people; leading and managing our people well; and being a great place to work.

Recognising our inspirational people

Our Inspired in Hull Awards are among the ways that we celebrate the contribution and achievements of our community. For the first time this year, the awards were held in partnership with Hull University Students' Union, with staff and students able to nominate candidates across fifteen categories. The finalists and winners were praised for their commitment to making a real difference in their area, their dedication to supporting our strategic aims and their embodiment of our University's values. We have highlighted just some of the worthy recipients throughout this report.

Individually different, collectively brilliant

From graduates gracing the stage of Glastonbury to lifetime achievement awards, there have been many standout moments and success stories for our students, staff and alumni in 2021/22.

Nursing hero received national honour

Dr Jane Wray, Senior Lecturer in Nursing in the Faculty of Health Sciences, was honoured by the Burdett Trust for Nursing for her exceptional contributions to the profession. Dr Wray, who is Senior Clinical Nurse Advisor to NHS England and NHS Improvement (NHSEI) for the National Preceptorship Project, was named a Burdett Hero as part of the celebrations of the 20th anniversary of the Trust, which provides charitable grants to support the nursing contribution to healthcare.



Graduates play Glastonbury

Several University of Hull music graduates performed at the Glastonbury Festival this year as part of Hull-based and fast-rising Alternative Folk band, Paveway Ark. Formed in 2016, the band's first live performance was for BBC Introducing. Their latest EP, Live from Middleton Hall, was recorded in the University's world-class concert hall and released on the day of their performance at Glastonbury.

Lifetime achievement award for work in dementia

Professor Esme Moniz-Cook, esteemed research psychologist and an expert in dementia care, was honoured with a lifetime achievement award by the British Psychological Society. Working with families, care staff and communities since 1987, Professor Moniz-Cook has provided both cutting-edge research as well as a sensitive and empathetic approach to patient care.

PhD student recognised for cutting-edge research

PhD student Koorosh Aslansefat was the recipient of The Alan Turing Institute Award for Postdoctoral Enrichment in 2022, in recognition of his innovative research on the safety of Artificial Intelligence. The £2,000 award also offered Koorosh the opportunity to participate in the Institute's online community of researchers and access to training and research showcase events.

CBE for Emeritus Professor

Emeritus Professor Lynne Frostick received a CBE in the 2022 New Year's Honours for her services to Flood Risk and Coastal Erosion Management. Formerly a Professor of Physical Geography at the University, her work in the aftermath of the 2007 floods in Hull, and latterly as a board member at the Environment Agency, has helped shape UK flood policy for the last fifteen years. Professor Frostick CBE remains active within the University's Energy and Environment Institute, helping to inspire and mentor the next generation of geoscientists.



New law court named in honour of Dame Eleanor King

In December, we unveiled our new campus law court, named in honour of The Right Honourable Lady Justice Dame Eleanor King, who, since studying at the University, has become one of the most respected and recognised names in law. The Lady Justice King Courtroom is providing students at the University with a realistic courtroom environment to help prepare them for careers in the legal world.

Prestigious professorship in peace studies

Professor Raphael Cohen-Almagor has been awarded the 2023 Olof Palme's visiting professorship by the Swedish Research Council. This prestigious professorship, named in memory of Sweden's former Prime Minister, is awarded annually to an internationally prominent researcher contributing to the understanding of peace and conflict.



Inspired in Hull award winners

Empowering

Winner of the award for Outstanding Leadership, Rebecca Dennison, Head of Student Support and Experience, Student Services

Rebecca was recognised for enabling 'individual staff and teams to innovate and flourish, improve their delivery of services to students and take pride in their work. [She] is a supportive, empathic and empowering manager.'

¹ UK domiciled, young, full-time, first degree undergraduate entrants from POLAR quintiles 1 and 2 (HESA 2020/21)

² UK domiciled, full-time, first degree graduates (Graduate Outcomes 2019/20), excludes graduates not actively looking for work (e.g. retired, travelling or undertaking unpaid care role)



Our Partnerships

As a dynamic partner, we work collaboratively to deliver meaningful impact - from co-creating education with our students to developing sustainable solutions for the future through powerful partnerships with the public sector, voluntary organisations and industry.

Forging partnerships with our students

Our Student Staff Partnership scheme is just one of the channels through which we bring our learning and teaching community together to jointly enhance our curriculum. The scheme empowers students and staff to enrich their own experience and that of others, and informs institutional, faculty and subject-level strategic priorities.

The eight project teams formed this year showcased their work at the University Learning and Teaching Conference in July. The diverse range of projects included an initiative to gather students' input and feedback on rubrics to develop further our inclusive marking and feedback practice, work to map programmes of study to the UN's Sustainable Development Goals and the Education for Sustainable Development competencies, and the creation of a toolkit enabling students to link sustainability and their employability.

Boosting businesses through knowledge exchange

Powerful partnerships are driving knowledge exchange across a diverse range of industries.

This year, we have been working in partnership with local fish processing company Copernus, helping them to grow and invest in new technology. Supported via our SparkFund programme, the family-run business has overhauled its buying process and fish tracking system, enabling it to better fulfil its legal requirements and keep pace with competitors.

In response to the effects of the coronavirus pandemic on the creative industries, our School of Arts created the Arts in Isolation project to examine the adaptations required to overcome major disruptions in creative production as well as exploring the challenges and possibilities for creating art in isolation. The project is being showcased as part of *MadeAtUni: Creative Sparks*, a new national campaign by Universities UK to promote the creative talent produced by UK universities and lobby the government on the importance of creativity and creative courses. It follows research that shows that parents are strongly in favour of university creative courses, recognising their economic benefit to power the UK's creative industries.

The University has worked in partnership with Hull-based vehicle graphics company Brandfixx, supporting them to implement 3D scanning software and reduce the carbon footprint of their vehicle wraps.

Research Excellence Framework 2021

World-leading research fuelled by partnerships

This year, the calibre of our research was recognised in the Research Excellence Framework (REF) 2021, the UK's system for assessing the excellence of research in higher education.

The results, as reported by the Times Higher Education, ranked the University joint 55th out of 157 institutions, and we were proud to be among the institutions seeing the greatest increase in rank nationally. Among Yorkshire's universities, we were the highest riser in rank and are placed in the top four institutions in the region.

The research we submitted as part of REF 2021 covered a wide range of themes, including the selection below.

The Wilberforce legacy: modern day slavery

Our Wilberforce Institute continues to investigate and drive responses to modern slavery. Its contribution to the development of the Global Slavery Index and Multiple Systems Estimation (MSE) tool led to a radical reassessment by the UK Government of the number of people enslaved in the UK. The Institute's anti-slavery tools have also driven modern slavery prevention campaigns in schools across the UK and in West Africa.

Institute informs flood policy

The work of our Energy and Environment Institute in flood hazard and risk research has informed UK national flood policy, and has guided investment of £2.6 billion of government funding between 2015 and 2020, resulting in improved flood protection for more than 300,000 homes nationwide.

“The REF outcome demonstrates how our research underpins our Strategy 2030 with excellent outcomes in support of our core themes of social justice and environmental sustainability, and complements our wider University progress in education and knowledge exchange.

Dr Dave Richards, Pro-Vice-Chancellor (Research and Enterprise)

Tackling doping in sport globally

The Adolescent Sport Doping Inventory (ASDI) educational programmes for young high-level athletes (iPlayClean) and grassroots coaches (Anti-Doping Values in Coach Education: ADVICE) developed by our researchers have contributed significantly to identifying and reducing key psychosocial variables linked with doping in thirteen countries.

Reducing night-time violence

Our research has changed violence prevention practices, with new knowledge about what works to prevent violence. This multi-agency initiative has resulted in changes to emergency department and policing practices, data sharing and the emergence of a whole-system approach to preventing violence.

Astrophysics outreach to widen participation

Our award-winning *Changing the Face of Physics* initiative doubled the number of women studying Physics at Hull. We supported more than 100 schoolteachers and provided over 30 work experience opportunities to under-represented groups.

Public procurement as a strategic tool for environmental protection

This research impacted significantly on the flexible application of European public procurement rules as an instrument of industrial policy and as a device for the protection of the environment.



Tackling health inequality and improving outcomes

From clinical cancer trials to sustainability projects breathing new life into clinical education, our innovative partnerships are tackling health inequality and improving outcomes.

Rooted in the region...

In July, we celebrated the graduation of more than 1,800 healthcare graduates from our classes of 2021 and 2022. The majority will be working for local health services and hospitals, providing a much-needed boost to our regional NHS.

In April, a week-long partnership event was held to shine a light on the world-leading collaborative health and social care research and innovation taking place in the city. Hosted by the Faculty of Health Sciences, Hull York Medical School and Hull University Teaching Hospitals NHS Trust, the inaugural Research, Development and Innovation Week brought together clinicians and academics to share best practice and generate new ideas for driving advances in healthcare and improvements in health outcomes. The examples of our research featured throughout this section illustrate the impact already being achieved through such a collaborative approach.

This year, the Hull York Medical School was awarded £1.1 million by Yorkshire Cancer Research to conduct a clinical trial assessing the impact of exercise on people with lung, bowel or breast cancer. The study will involve 660 people from Yorkshire, which has one of the highest cancer death rates in England.

...with global impact

A partnership between Hull York Medical School, the University of Hull, Hull University Teaching Hospital NHS Trust and AstraZeneca UK, the SENTINEL project is educating the region's 40,000 asthma patients to manage their condition proactively to both help reduce asthma attacks and cut the environmental impact of asthma and its treatment. Since it began in 2020, SENTINEL has saved the equivalent of approximately 773 metric tonnes of carbon emissions, equal to the carbon footprint of around 966 people taking a transatlantic flight from Leeds to New York. The project was recognised as 'Environmental Sustainability Project of the Year' at the Health Service Journal's 2022 Partnership Awards.

In the first study of its kind, cutting-edge research by Hull York Medical School has led to the discovery of microplastics in live human lungs, laying the foundation for future studies on the impact microplastics could have on respiratory health. The research follows a recent year-long study at a site close to a busy northern trunk road, which identified the levels of atmospheric microplastics, including those of the size and shape inhalable by humans, to which we may be exposed every day.



Inspired in Hull award winners

Progressive

Winner of the award for Outstanding Contribution to External Community Engagement, Dr Giles Davidson, Strategic Projects, Aura

Giles has been 'instrumental in forging new links with a range of external partners and stakeholders, creating strategic partnerships that have endured for several years and has made a lasting and significant impact for the broader community and local economy.'

Opportunities no other university can offer

From our Team GB partnership to a new Rugby League Hub, sport is at the heart of our city and University.



Our exclusive six-year partnership with Team GB continues to bring opportunities for staff, students and the local community.

In 2021, we hosted the *I Am Team GB 5k Your Way* event, which saw over 300 people get active on our campus. We also welcomed Official Team GB and University of Hull Ambassador, and three-time Olympic champion, Max Whitlock OBE to an event on campus as well as our summer Open Day.. Max, a gymnastics trailblazer, gave inspirational talks to visitors, sharing advice on how he handles pressure, overcomes setbacks and remains focused on his targets.

In partnership with Hull FC, we unveiled plans in July for a new rugby league performance, education and community hub. Based on campus, the hub will unite Hull FC's rugby pathways from first team to grassroots, as well as giving students the opportunity to undertake work placements in sports science, coaching, analysis and media.

The £1.5 million project, supported by Hull City Council, will create an unrivalled home for the club's teams and Community Foundation initiatives, including the physical disability rugby league squad, wheelchair team and women and girls' squads, as well as further enhance our first-class sports provision.



Max Whitlock OBE



Our Place

Underpinning our mission to tackle some of the most pressing issues and injustices facing our planet is a profound sense of our responsibility to support our local and global communities. We are rightly proud of our Hull roots and we work with our partners to champion our region on the international stage.

One Campus

A carbon neutral campus
Our campus is the heart of our community and we have ambitious aims to make it even greener. The £86 million of green funding that we have secured will allow us to invest in sustainable facilities and infrastructure and accelerate our ambition of becoming a carbon neutral campus in 2027.

The private placement funding forms part of our plans to invest £265 million over the next five years to create world-class research and teaching spaces and a high-quality environment in which every member of our University community can thrive. This will include new carbon efficient and carbon neutral buildings, as well as additional renewable energy and digital infrastructure.

Reimagining the campus of the future

Through a series of workshops this summer, we invited our staff and students to dream big, think differently and work together to help reimagine our campus and shape the future of both our physical and digital estate. This process gave participants a deeper understanding of how our campus is used, allowing them to challenge assumptions and help to redefine the campus experience. We are excited to develop and test the innovative ideas that emerged during the workshops as we use these to inform and shape our estate and digital strategies.

Everyone is welcome on our campus - especially hedgehogs

This year, we have made significant headway towards our pledge to become a hedgehog friendly campus, including providing physical information on campus about hedgehog welfare and enhancing the hedgehog habitat by installing a bug house. Our progress was recognised with the award of a Bronze Accreditation under the British Hedgehog Preservation Society's Hedgehog Friendly Campus scheme.

One Shot

This year we received over £1 million to help major regional employer Siemens Gamesa tackle a key challenge in the construction of offshore wind turbine blades. Made by injecting resin into complex moulds over 80 metres in length, turbine blades cannot be installed if the resin is not dispersed evenly through the blade. By using fibre-optic sensors to better monitor distribution of the resin, the project, supported by the University of Sheffield's Advanced Manufacturing Research Centre, aims to reduce waste and realise significant cost and efficiency benefits for the offshore wind sector.

In February, we were part of the region's Festival of Green Innovation, which celebrated the Humber's progress as a world-leader in low-carbon technology. The Festival, delivered in partnership with Aura, highlighted examples of our work to support low-carbon business innovation and help our region's businesses to reduce their carbon emissions. Among the research showcased was our project working with five East Yorkshire farmers to reduce the impact of black grass infestation on cereal crops, a problem that costs UK arable farmers £1 billion each year. Delegates at the Festival participated in a session exploring new ideas to help solve the issue, including the use of drones and laser technology.

In March, we helped launch Hull's new 'Oh Yes! Net Zero' campaign to unite the region as a leader in the UK's transition to a cleaner, greener and more prosperous future. By sharing learnings from Hull and beyond, the campaign aims to demonstrate how society can make net zero a reality.



New courses develop green skills

This year, we launched six new short courses designed to help tackle the key skills gaps and talent demands for the Humber as the region drives forward its transition to a net zero economy. The courses cover climate change essentials and areas such as carbon capture, hydrogen, offshore wind, supply chain risk and nature-based solutions.

Further examples of the impact of our environmental sustainability work within our region and globally can be found in the **Environmental, Social and Governance Review** (page 26).

One World

Treated Spaces
Based in the School of Humanities, our interdisciplinary research group Treated Spaces brings together researchers, indigenous groups, museums, activists, artists, NGOs and policymakers to place indigenous treaties and environmental concerns at the centre of contemporary global debates on social and environmental justice. The group's recent work includes supporting UK exam boards to update and develop their questions on the indigenous world, and helping museum and heritage sites to enhance the interpretation and contextualization of indigenous materials in their collections.

The impact of flooding on children

Flooding has a devastating and lasting impact on children and young people across the world. In Help Sali, our new 360-degree immersive video created in collaboration with Lancaster University and the Environment Agency, viewers are transported into the life of a child affected by flooding. The video is accompanied by free learning resources for Key Stage 3 and 4 pupils.

Solidarity with Ukraine

In June, we signed a formal twinning agreement with Mariupol State University in Ukraine, with long-term plans to cooperate on student projects, teaching best practice and innovative research. Our immediate joint work focused on assisting Mariupol State University to resume teaching at its new base in Kyiv and refurbish a building loaned to them by Kyiv National University of Construction and Architecture.



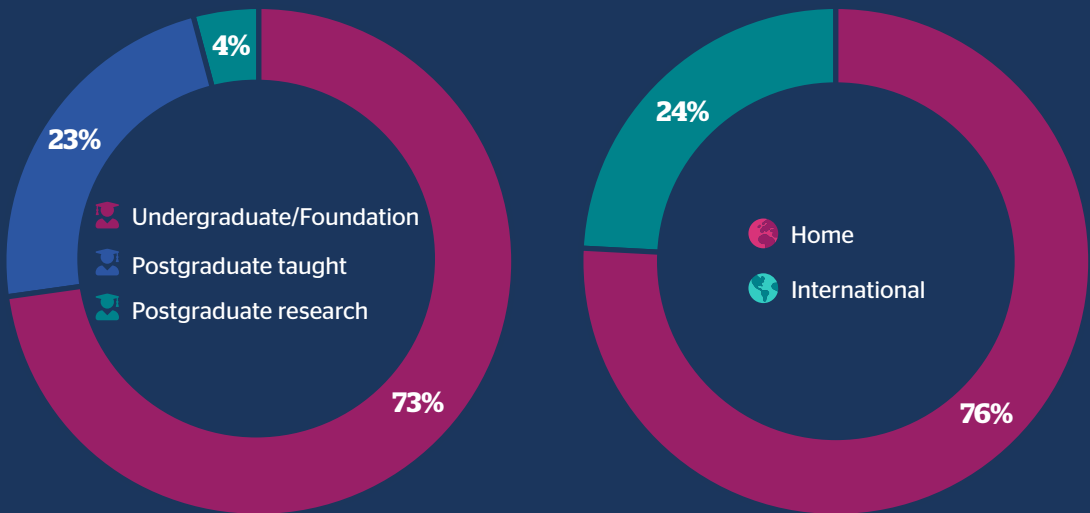
Our Performance

Student profile

Standard provision

Foundation, undergraduate, postgraduate taught and postgraduate research degrees

13,573



Other provision

Degree apprenticeships, distance taught, franchised provision, exchange programmes and short courses

1,411

Collaborative provision

Validated provision at partner institutions

1,634

Student data:
Headcount as at 1 December 2021 census; standard provision excludes degree apprenticeships, distance taught, exchange programmes, short courses and collaborative or franchised provision delivered by partner institutions

Student diversity

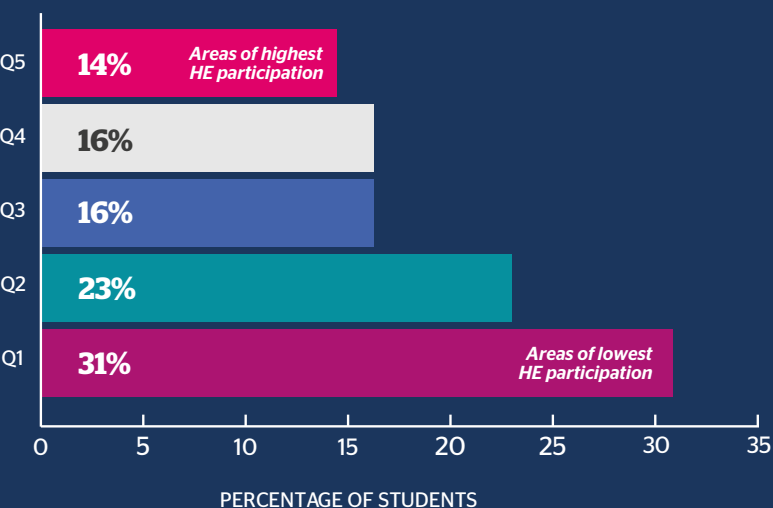
27.6% students of Black, Asian and minority ethnic origin

16.0% students with a disability

39.8% mature students (aged 21 or over)

42.6% Male **56.9%** Female **0.5%** Other

Participation of Local Areas (POLAR4) quintiles



Student diversity data:
Population includes students on all programmes, with the exception of distance taught and collaborative provision. Exceptions: (a) data on % mature students is specific to students entering programmes at Level 6 or below; (b) data on % students from POLAR4 quintiles is specific to students entering programmes at Level 6 or below and who have home fee status and a valid UK postcode for which POLAR4 data is available.

Key Performance Indicators

Progress at an institutional level is monitored by the University Council against Key Performance Indicators and associated targets that are aligned with the ambitions of Strategy 2030.

75% of students are satisfied with the quality of their course

In the 2022 National Student Survey (NSS), the University satisfaction scores exceeded the higher education sector average across four question scales (*Assessment and feedback*, *Organisation and management*, *Learning resources* and *Student voice*).

We exceeded our OfS benchmark on five question scales, with *Assessment and feedback* and *Student voice* significantly above benchmark.

Our highest scores were for *Learning Resources* (83%), *The teaching on my course* (79%) and *Learning opportunities* (78%).

While our lowest scoring scale remained *Learning Community* (68%), this saw an improvement in satisfaction in 2022 and exceeded our OfS benchmark.

Across all UK league tables, Hull is ranked **4th** among the universities in the Yorkshire and Humber region.

While the University fell slightly in the Times and the Guardian league tables this year, our ranking in the Complete University Guide rose by 12 places to 58th, our highest position in this table since 2014. We remain in the second quartile across all three tables and ranked between 36 and 47 places higher than our position in 2019.

The University has continued its upward trajectory in the Times Social Inclusion Ranking for England and Wales, rising by 3 places to be ranked 16th (out of 116 institutions).

Complete University Guide	58 (+12)
Guardian University Guide	59 (-6)
Times Good University Guide	67 (-15)

76% of our students graduate with a First or Upper Second class degree

94% of our graduates are in work or further study 15 months after graduation, with 75% in high-skilled employment and/or graduate-level study³

World-leading research

82% of our research was recognised as world-leading (4*) or internationally excellent (3*) in REF 2021, with the proportion of 4* research doubling since 2014.

The University is now ranked 55th overall (+17 places since 2014) and 42nd on impact (+23 places).

Globally, our research in 11 disciplines is ranked among the top 500 in the world, with Nursing ranked in the top 100, Oceanography ranked in the top 150, and Earth Sciences, Geography, Political Sciences and Sports Science ranked in the top 300.⁴

Top 100 global impact

The University is ranked 81st overall (out of 1,406 institutions) in the 2022 Times Higher Education Impact Rankings, a global ranking which assesses universities based on their contribution to the UN Sustainable Development Goals (SDGs). Previously ranked in the 201-300 group in the 2021 table, the University achieved the largest increase in rank of any UK institution in 2022.

We are ranked in the global top 100 on each of the seven SDGs on which we were assessed and within the top 10 in the UK on four SDGs: *Partnership for the Goals* (ranked 19th globally and 9th in the UK), *Life Below Water* (ranked 21st globally and 4th in the UK), *Peace, Justice and Strong Institutions* (ranked 25th globally and 6th in the UK) and *Quality Education* (ranked 94th globally and 3rd in the UK).

³ Graduate Outcomes 2019/20

⁴ ShanghaiRanking Global Ranking of Academic Subjects 2022; the University's contribution to Sports Science features within the Hospitality and Tourism Management subject table

Research grants and contracts income in 2021/22 was **£12.6 million**, while income from our enterprise activity was **£3.1 million**

Financial review

Overview

Despite a backdrop of the COVID pandemic in the early part of the year ending 31 July 2022, the University of Hull has achieved its strongest financial performance of the last 5 years. In the year, the University was also able to secure external investment through a private placement for £86m and refinance its revolving credit facility for a further five-year term at £25m. With these strong successes, and alongside strong financial controls, the University is able to face future challenges and uncertainties with confidence. The impact and nature of the USS pension provision once again distorts the presentation of the financial performance within staff costs. A provision increase of £38.5m (2021: £1.3m) has been made in the year with respect to the valuation of the USS scheme as at 31 March 2020, which concluded in September 2021.

Financial Performance

Financial summary	2021/22 £m	2020/21 £m
Total income	198.2	186.5
Tuition Fee Income	124.8	123.1
Research Grant Income	12.6	11.4
EBITDA	35.7	34.1
EBITDA as % of Income	18.0%	18.3%
Total Comprehensive Income/ (Expense)	(24.5)	17.4

Net Assets	190.9	215.4
Cash & Short Term Investments	111.2	42.0
Pension Liabilities	(87.2)	(57.9)
Borrowings	(86.0)	(29.3)
Net (Debt)/ Cash	(8.9)	5.7
Cash from Operating Activities	36.0	24.4

Total income for the year was £198.2m (2021: £186.5m), a growth of £11.7m or 6.2%, of which £124.8m or 63% (2021: £123.1m, 66%) relates to tuition fees. Total expenditure for the year including USS pension provision movements was £229.6m (2021: £182.2m) and £191.1m (2021: £180.9m) excluding the USS pension provision movements. Staff costs before fundamental restructuring costs and excluding the impact of USS pension movements were £104.2m (2021: £98.6m). Operating expenses were £56.0m (2021: £50.9m).

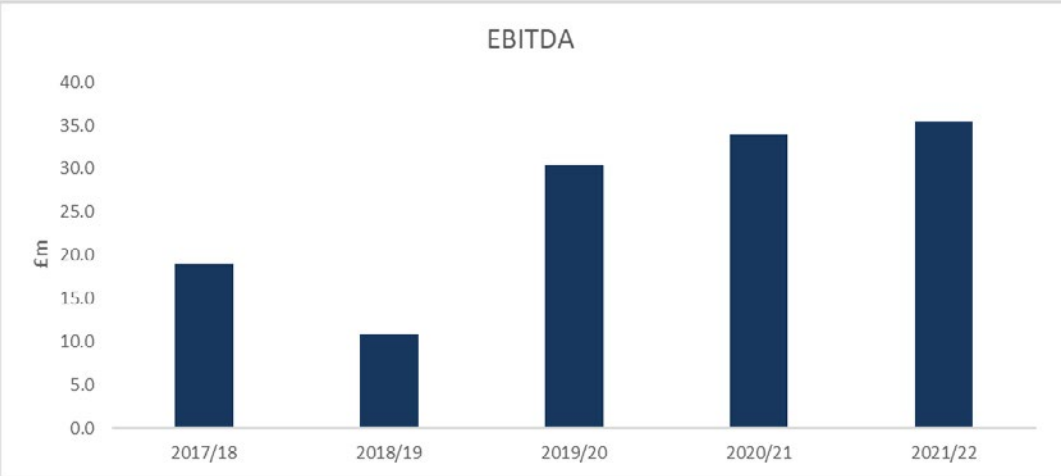
COVID-19 again had a financial impact in the earlier part of the year, causing a reduction in income of £2.9m relating mainly to lost commercial income. While mitigating actions were available in prior years, the impact on income was more difficult to offset in this current year. Over a 3 year period, COVID-19 has caused a reduction in income of £16.2m, with the net impact a deficit of £6.2m.

Financial summary	2021/22 £m	2020/21 £m	2019/20 £m	Total £m
Lost Income	(2.9)	(8.1)	(5.2)	(16.2)
Staff Cost savings	-	0.1	0.9	1.0
Coronavirus Job Retention Scheme	-	1.2	1.0	2.2
Operational expenditure savings	0.8	1.2	4.8	6.8
	(2.1)	(5.6)	1.5	(6.2)

EBITDA

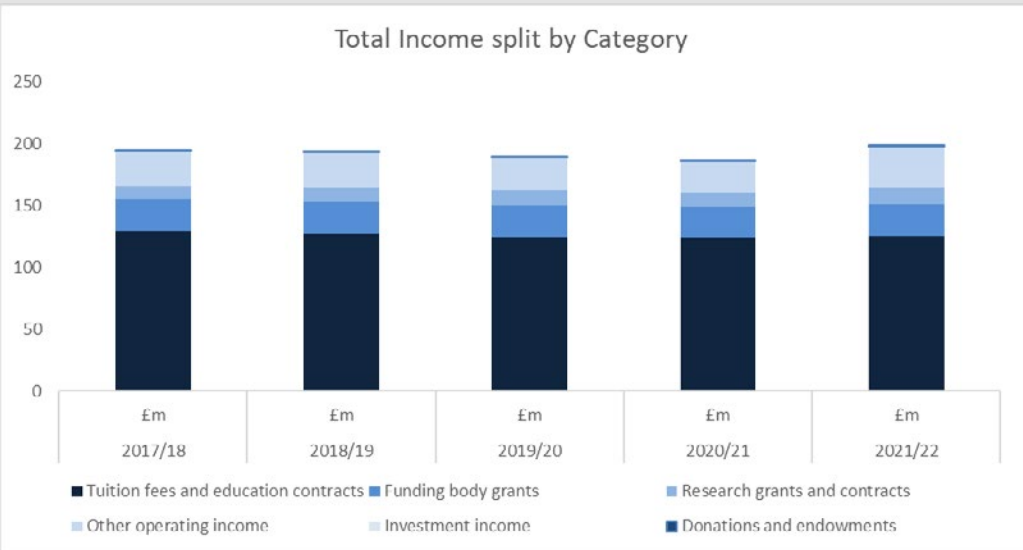
The following table and graph show the University's financial performance on an Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) basis. Adjusted EBITDA is a measure of operating performance, eliminating the effects of financing and accounting decisions to enable more meaningful comparison between organisations. The University has shown continued improvement in the EBITDA measure over the last 5 years.

EBITDA	2021/22 £m	2020/21 £m
Surplus/(deficit) before other gains & losses	(31.5)	4.3
Increase/ (decrease) in USS pensions provision	38.5	1.3
Other Pension Adjustments	(3.0)	(2.7)
Fundamental restructuring staff costs	0.8	1.1
Investment Income	(0.6)	(0.5)
Interest	2.8	1.7
Depreciation & Amortisation	27.5	28.9
Exceptional Items	1.2	-
	35.7	34.1

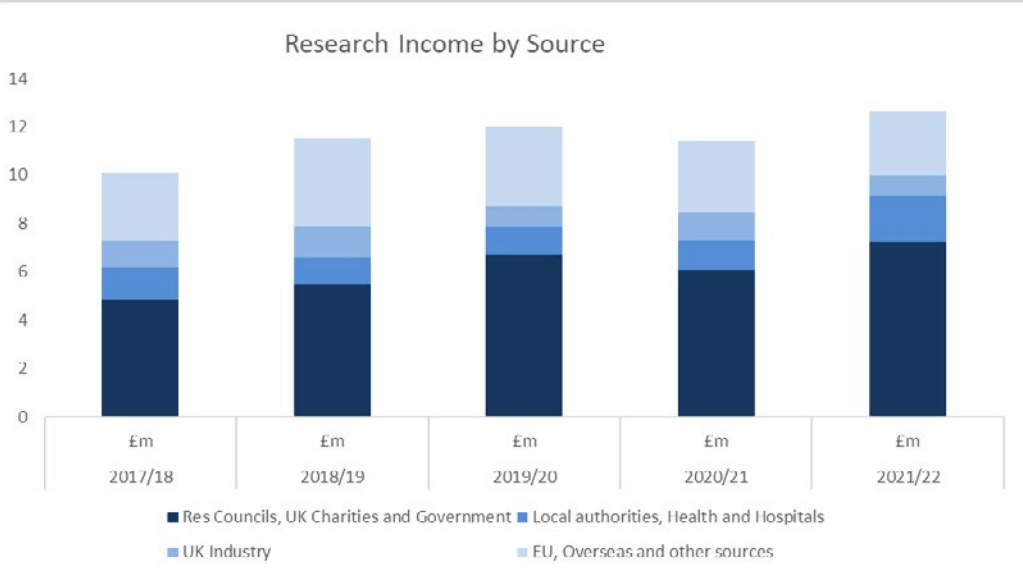


Income & Expenditure

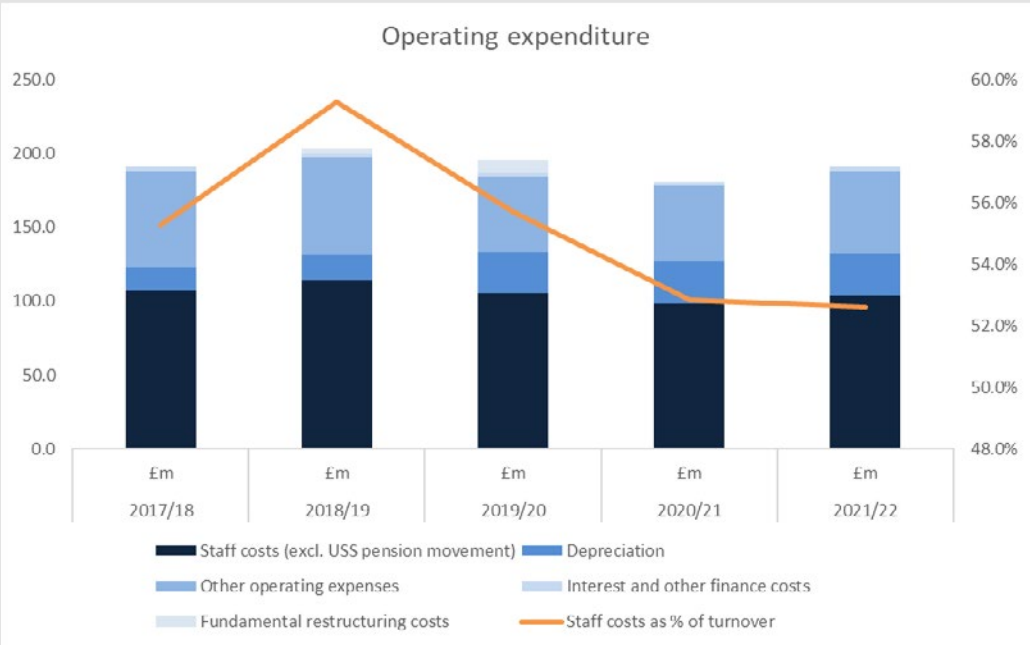
The following charts illustrate the financial performance over the last five years:



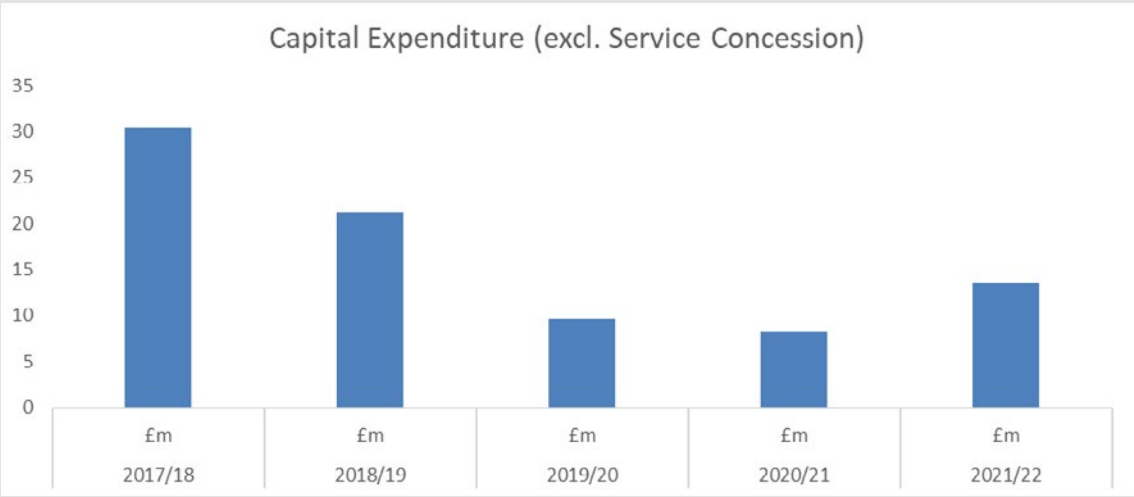
Income from full time overseas students rose by 52.9% as the University extended its reach in international postgraduate student markets but experienced a reduction in full-time home students, where tuition fees have fallen by 9.8%. Overall, tuition fees increased by 1.4% to £124.8m (2021: £123.1m).



Research grants and contracts income has increased by £1.3m, a 11% increase from 2021. The main source for the increased funding is from Research Councils, UK Charities and Health & hospitals.



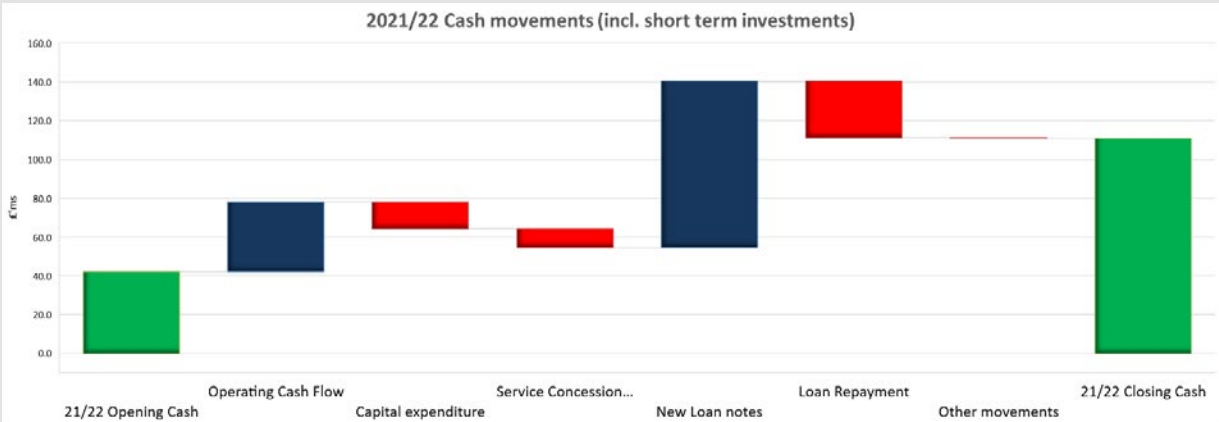
Staff costs before pension adjustments have increased by 5.7% from 2021 but have remained largely static as a percentage of income at 52.6% (2021: 52.8%). Fundamental restructuring costs were £0.8m (2021: £1.1m). Other operating expenses have increased by 10.0% to £56.0m (2021: £50.9m). Depreciation, including service concession arrangements, has decreased by 4.5% to £27.5m (2021: £28.8m)



Capital expenditure excluding service concession arrangements has increased by 86.4% to £13.2m (2021: £7.1m) as a result of increased expenditure in both Estates and IT projects when compared to the prior year.

Cash Flow, Liquidity and Debt

The waterfall graph below shows the main cash movements from 31 July 2021 through to 31 July 2022. The opening and closing values include cash and cash equivalents and also short term investments (deposits maturing in one year or less).



The University generated £36.0m (2021: £24.4m) of cash inflows from operating activities. In April 2022, the University issued new loan notes of £86m through a private placement and at the same time renegotiated its revolving credit facility for £25m for a 5 year term. As part of this financing strategy, the existing long-term bank loan was repaid in full. Cash at bank and short-term investments totalled £111.2m (2021: £42.0m) at the year end.

Liquidity (days cover) measures the number of days the University could meet its immediate obligations with the cash and short-term investments it holds. This has increased to 253 days (2021: 103 days).

The debt held at the year end is £86.0m (2021: £29.3m) and relates solely to the loan notes issued in the year. The issuance of the loan notes include a clause that would cause the loan notes to be classified as 'non-basic' therefore a change of accounting policy has been made in year. The results of such a change provides more reliable and relevant information compared to the previous policy. Additional disclosure has been provided in the accounting policies and notes to the accounts.

The University's Treasury Management Policy balances risk against return, with the overriding imperative being to protect capital rather than maximise returns. The University's Finance Service is responsible for producing rolling cash flow forecasts, monitoring the daily cash position and ensuring that ongoing cash requirements are met and surpluses appropriately invested.

Pensions

Pension liabilities have increased to £87.2m (2021: £57.9m):

- £65.6m USS agreed deficit recovery plan (2021: £27.1m);
- £21.6m University of Hull Pension and Assurance Scheme (UHPAS) (2021: £30.0m); and
- £0.0m North Yorkshire Pension Fund (NYPF) (2021: £0.8m)

The USS pension provision has increased by £38.5m (2021: £1.3m). This increase is in respect of the valuation of the scheme as at 31 March 2020, which concluded in September 2021. The UHPAS and NYPF schemes have both seen reductions in the pension liability provisions as a result of the improvements in financial markets as at 31 July 2022 compared to the preceding year end, with the liability reducing by £8.5m and £0.5m respectively.

Going Concern

The challenges facing the University and the UK Higher Education sector are numerous and include, in addition to continued impacts from COVID-19, political uncertainty, an uncertain global economic outlook and the need to ensure that sufficient surplus revenues are generated to allow continued investment in talented staff, in physical plant and in infrastructure.

In April 2022, the University attracted external investment through a private placement and issued loan notes with a value of £86m. Alongside this, the £25m Revolving Credit Facility (RCF) was renegotiated and extended for a 5 year period until April 2027 and unrestricted for any operational or working capital requirements whilst also being sustainability linked. This Financing Strategy will clearly support the University in delivering its 2030 Strategy of a fairer, brighter and carbon neutral future.

At 31 July 2022, the University held cash and cash equivalents of £111.2m, was compliant with all financial covenants and the RCF was unutilised.

The University Council have considered cash flow forecasts to 31 July 2024, a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the University Council is of the opinion, taking account of a base case forecast and also severe but plausible downsides as well as an extreme reverse stress test scenario, that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2024.

The scenarios modelled include all assume a flat Home UG fee and include the following assumptions:

- potential future impacts of COVID-19 including periods of lockdown,
- a cyber attack,
- implementation of Augar recommendations,
- increased attrition and sustained high inflation.

A more severe, but still plausible, scenario modelled assumes no international students in 2023/24.

An extreme reverse stress test scenario assumes periods of lockdown, a cyber attack, increased attrition, high inflation and a 25% reduction in all intakes in 2023/24. This extreme reverse stress test would result in a potential breach of one of the financial covenants.

The University has identified a range of mitigating actions it can take to reduce costs and respond to adverse scenarios should they arise, as evidenced during the early stages of the COVID-19 pandemic.

These scenarios demonstrate that the University remains financially sustainable with sufficient cash balances, even under the reverse stress test scenario. Financial covenants would be met in all but the final extreme reverse stress test which result in one covenant breach.

Taking account of the analyses of sensitivities of the financial projections, the extended 5 year revolving credit facility, the University's ability to pay its debts as they fall due and to meet its ongoing financial covenants for the foreseeable future (being the period to the end of July 2024), the University Council confirms that it is appropriate that these financial statements are prepared on a Going Concern basis.

Jeremy Hartley
Chief Finance Officer



Principal risks and uncertainties

Our approach to, and application of, risk management in 2021/22 remained defined largely by the internal and external challenges we continue to address through our operational activities as well as, in this academic year, the concluding part of our transformation programme and elements of our response to the impact of COVID-19. In successfully applying our established business continuity framework, we have been able to respond with agility to the pandemic, protecting the health, safety and wellbeing of our students and staff and facilitating business continuity.

During the course of 2020/21, the University finalised its ten-year Strategy 2030, which we rolled out during 2021/22 through a number of ongoing engagement opportunities for staff and students. Our new Strategy expands on the University’s vision and articulates the qualities and ambitions that characterise our work to enrich lives and lead creative change at the forefront of environmental sustainability and social justice. Our Strategy positions the University as agile and responsive to the challenges and opportunities afforded by the external context, and informs our risk register. Our Strategy focuses on People, Place and Partnerships and is underpinned by academic strategies and supporting strategies.

In addition to the long-term impact of COVID-19, current and anticipated challenges include:

- political uncertainty, including the situation in Ukraine;
- the future funding of the pension schemes in which the University participates;
- the need to ensure that sufficient surplus revenues are generated to allow continued investment in talented staff and in infrastructure;
- the need to address the cyber security challenges that are manifest in an increasingly digital education and research environment.

Newer challenges include the impact of high and rising energy costs and the high level of inflation placing financial pressures on the University as well as our staff and students.

The approach taken during 2021/22 and our future plans to address the principal risks and uncertainties facing the University are set out below.

COVID-19

Although the restrictions brought in as a response to COVID-19 have been substantially removed, it remains a risk that we are monitoring closely. Significant work has been undertaken, and continues, to manage health and safety risks arising as a consequence of COVID-19. Moreover, the pandemic has necessarily, and positively, accelerated the development of resilience planning at service level aligned to our institutional-level strategic framework, part of which addresses programme development for online learning. These responses enabled us to ensure that in 2021/22 we were able to recruit a sustainable level of students and to provide them with a high quality education and student experience. Through our transformation programme, we have adapted our operational model to consolidate the economies and working advantages for staff and students that have been foregrounded during the COVID-19 pandemic. These changes will continue to be developed through new continuous improvement initiatives.

Financial sustainability

Market data and insight and rigorous financial management underpin our planning and decision-making, enabling us to adapt to the fluid demands of students, businesses, research partners and other stakeholders, and to respond to new opportunities. Our focus on areas of strength that are supported by strong market demand and meet the needs of our region informs our investment and divestment decisions and capital programme. As a result of our improved financial position and robust plans to operate in sustained surplus, we successfully raised a significant sum through a private placement in 2022. This funding, together with annual surpluses, will support investment in our staff, academic programmes, student support, facilities and infrastructure over the ten years of Strategy 2030.

Continuous improvement

Following the completion of our major transformation programme, a new governance structure has been put in place to support and manage our approach to continuous improvement, including investment decisions associated with the private placement.

The purpose of the transformation programme was to rebalance income and costs and to bring about significant improvements in our operational performance. The successful delivery of the final phase of the programme during 2021/22 was an important step towards securing external investment in the University. Looking forward, we will continue to drive through operational improvements that deliver efficiency and provide staff and students with quality services that allow them to concentrate on education and research.

Political uncertainty

The external policy environment continues to present challenges to the higher education sector. Areas of ongoing uncertainty include:

- the outcomes of the government review of post-18 education and funding, notwithstanding the confirmation that home undergraduate tuition fees will remain frozen for a further two years;
- the future of the higher education admissions process;
- the role of widening participation versus an unregulated market, particularly in regard to institutions like Hull which have a key role in the local economy;
- the UK’s engagement with Horizon Europe and other consequences of Brexit.

The University, particularly through our Vice-Chancellor, is actively engaged in national policy discussions and in maintaining productive relations with local and national politicians. While a number of national policy decisions and initiatives were delayed by the impact of COVID-19 and change in leadership of the government, we expect these to be picked up again in the short to medium term.

The University was appalled by the invasion of Ukraine and we continue to provide support to our students and staff from the affected regions. Collaborations with academics based in Russian or Belorussian institutions have been suspended. We have established a new partnership with Mariupol State University, focusing initially on providing practical help with online resources and IT equipment for their new base in Kyiv, with the development of academic and student links to be explored further in due course. We continue to monitor closely the ongoing situation and potential implications for wider geopolitical instability.

Pensions

The University participates in several pension schemes. The University Council receives regular updates on pensions issues and, through our engagement with Trustees and national bodies, we continue to emphasise the imperative to balance future affordability with appropriate retirement benefits for our staff. During 2021/22, much of our focus has been on USS and the reforms implemented to conclude the 2020 valuation of the scheme. The University and College Union (UCU) remains in dispute with the sector in relation to the USS (and, under a separate dispute, with regard to pay and conditions), raising the risk of widespread industrial action during 2022/23. Our business continuity framework provides an established approach for responding to strike action.

Cyber security

During 2021/22, we have further strengthened our approach to data governance, including security, to ensure that we have implemented best practice across the management of our IT assets and data. We have re-established an Information Governance Committee to oversee our new Data Strategy and provide a focus for issues related to cyber security and information governance.

The Audit and Risk Committee takes an active interest in cyber security and receives regular reports from the ICT department. An internal audit on cyber security has been undertaken and its outcomes are being monitored and actions followed up.

Energy costs

Our fixed-term contracts for gas and electricity were renewed at the start of October 2022 and reflect the significant and rapid increases in energy costs during 2022. We are exploring a range of interventions to mitigate the financial impact through reducing energy consumption, generating our own sustainable energy and accelerating our carbon neutral programme, alongside the current Government financial support for the commercial market.

Environmental, Social and Governance Review

The world faces a climate emergency of ever-increasing scale and urgency. Meanwhile, inequality and injustice continue to deepen across many parts of our society. Strategies to reduce carbon are often felt more profoundly by those who are less well off, risking the creation of a doubly disadvantaged 'carbon underclass'. Tackling the climate crisis, therefore, is equally a matter of social justice, requiring inclusive, holistic solutions that address structural inequalities and transform the way we live. The intersecting nature of these greatest challenges of our age underpins our Strategy 2030 and informs our efforts to drive change both within our own University and within society at large.

Environmental sustainability

Leading voices on the world stage

We were proud to help represent Hull at the COP26 summit, which brought parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. During the summit, our experts had the opportunity to showcase a broad spectrum of our exciting research in low-carbon energy, flood resilience and sustainability. Among the highlights was a live performance developed as part of our ongoing creative collaboration with the National Youth Theatre (NYT). Performed by members of the NYT, *On the Edge* used spoken word, poetry, music and short film to explore young peoples' eco-anxiety in the face of climate uncertainty.

In July, we welcomed the world to our Sustainable Development Goals conference. The conference brought together academics from across the University to discuss how their research and teaching contributes to the United Nations Sustainable Development Goals and the UN Agenda 2030. Examples of work showcased during the conference included projects on developing and applying new clean energy technologies with partners in China, working in Nigeria at the interface between demographics and health, and advancing circular economies of consumption with collaborators across the European Union and beyond.

Local and global impact

From our commitment as an anchor institution in our region to our global impact, we are making a difference at every level.

Thanks to a super-performance Dew Point Cooling system developed at our Centre for Sustainable Energy Technologies, we have helped Hull City Council reduce electricity consumption at its data centre by 80 percent, saving over £50,000 in electricity cooling costs and reducing its carbon footprint by 82.5 tonnes a year.

Our interdisciplinary Risky Cities project uses innovative approaches from the arts and humanities to explore citizen stories of flooding and draws on these to develop culture-based interventions that engage communities in building flood resilience. For example, this year our researchers and students worked with local artists to develop *FloodLights*, a major art installation that took place in Hull during October 2021, commissioned by Absolutely Cultured in partnership with the University, Living with Water and Yorkshire Water.

“We need to act, and we need to act now. The way that you do that, and the way that you overcome these big challenges, is through collaboration. The collaboration between Living with Water and the University of Hull is absolutely vital. The University of Hull gives us a reach into intellectual capital that we wouldn't ordinarily have.

Lee Pitcher,
Head of Partnerships, Yorkshire Water

Also in October, we co-hosted the Waterline Summit, most of which took place at our Aura Innovation Centre. The annual Summit is a key opportunity for the University, as a founding partner of the Waterline campaign, to facilitate the collaboration with key industrial partners that is vital to achieving a net zero future for the region and beyond. At the event, we shared the results of our Humber Future Net Zero Study on the support required by SMEs to reduce their carbon footprint and become more sustainable, provided advice on greening the supply chain, and showcased an Aura Centre for Doctoral Training (CDT) student project on offshore wind.

Internationally, we are working to understand how climate change is affecting indigenous communities along the Amazon River, while a prestigious Leverhulme Fellowship-funded project is exploring the impact of climate and landscape change on oxbow lakes, and how these changes may impact communities in South America.

Research published this year in collaboration with colleagues in Plymouth, Belgium and Germany demonstrated the effect alterations in temperature, carbon dioxide and pH levels created by climate change have on chemical communication between organisms across marine, freshwater and terrestrial ecosystems. We are currently exploring the impact of heat stress caused by climate change on cold-blooded animals such as frogs and fish, thanks to €2m of European Research Council funding awarded as part of its prestigious Consolidator grant scheme.

Further examples of the impact of our environmental sustainability work within our region and globally can be found in the Strategic Review (see *Our Place*, page 14).

A sustainable university

Progress towards our own sustainability ambitions, including our commitment to be a carbon neutral campus in 2027, is overseen by the Sustainability Board. Specialist implementation groups lead different strands of this activity, with areas of focus including carbon reduction and renewable energy production, increasing the biodiversity of our campus, improving waste and water management and engagement with staff and students to support behavioural change.

We have already reduced our scope 1 and 2 carbon emissions by more than 50% since 1990 and have worked with Siemens and Arup to develop a roadmap to reach net zero in 2027. Alongside estates developments to reduce energy demands, our plans include the development of on- and off-campus solar farms to produce renewable electricity and the installation of air-source heat pumps to replace gas heating. Investment to proceed with the new solar farms was agreed by the University Council in July 2022.

An action plan to enhance the biodiversity of the key habitats found within the University campus and botanic gardens has been developed. Work completed this year includes wild flower planting on campus, the introduction of no-mow grassland management to preserve habitat and enhance species richness, implementation of a peat-free policy and installation of a peregrine nest box on the roof of our Library.

We currently send no waste to landfill, with all waste either recycled or incinerated for energy production. We will maintain this approach and have set a target for 2027 that 65% of all waste will be recycled. Work to standardise recycling facilities across campus is underway. We are bringing together data from campus water metering and sustainable urban drainage systems as part of research on improving our water monitoring and management, with a 2027 target to reduce water consumption by 50% against our 2018/19 baseline.

Our Energy and Environment Institute and Flood Innovation Centre were finalists in two categories at the 2022 CIRIA susdrain awards. Our SuDSL^{ab} UK project is transforming the University campus into a living lab for the testing of Sustainable Drainage Systems or 'SuDS' and was Highly Commended in the catchment-based solutions category.

A sustainable campus—and planet—cannot be achieved through changes in infrastructure and systems alone. Widespread behavioural change is also required, and activity focusing on engaging with our University community intersects with each of our implementation groups. A new online training course on sustainability developed by our Energy and Environment Institute and Human Resources team will be available to our staff and students in the new academic year.

In April 2022, the University secured private placement funding of £86 million to support our plans to achieve a carbon neutral campus and invest in sustainable academic facilities and infrastructure. Overseen by the University Capital Investment Committee, our Green Finance Framework governs the use of the private placement funds for both future capital expenditure and the qualification of historical expenditure. In May 2022, funding was used to repay the University's outstanding loan of £27.75 million with the European Investment Bank, allocated against two previous capital projects (the major refurbishment of the Brynmor Jones Library and the construction of the Allam Medical Building) qualifying under the Green Buildings category of our Green Finance Framework. These buildings meet the equivalent of BREEAM energy efficiency performance ratings of Very Good and Excellent respectively.

Global Top 100 for sustainable development

Our commitment to sustainable development was recognised with a top 100 position in the 2022 Times Higher Education Impact Rankings, a global ranking that assesses the contribution of universities to delivering the seventeen United Nations Sustainable Development Goals. The impact of our work was highly ranked across a range of categories, including those focusing on peace and justice, reducing inequalities, life below water and partnerships.

Improvements in our own environmental and ethical performance are reflected in sustained increases in our ranking in the People and Planet University League, with the University having risen from 133rd in 2016 to be ranked 35th in the 2021 edition.

Our students taking up the baton

Five Hull University Business School students took part in the Green Room Project, a week-long social experiment where the students lived together and were filmed completing a series of tasks as they learnt what it is like to live sustainably. Shortlisted for the Environmental Impact Award in the Royal Institution of Chartered Surveyors (RICS) UK Awards 2022, the project was delivered in partnership with University Quarter accommodation provider Kexgill Group and is set to become an annual opportunity for our students.

Our student-run Hull Electric Racing Team has set themselves the task of converting a racing car to become an electric-powered vehicle by July 2023, replacing the car's internal combustion engine with a new electric powertrain. The project will benefit from the University's recent £100,000 investment in two state-of-the-art formula simulators to provide students with the latest technology to hone their skills.



Social justice and inclusion

Social justice is at the heart of our identity and values. In everything we do, we aim to be inclusive, empowering and progressive.

Implementing inclusive education

Celebrating diversity and embracing differences across all areas of university life fosters an inclusive experience and a sense of belonging for our students and staff.

To further our vision of a truly inclusive university, in 2022 we launched an Inclusive Education Framework and accompanying toolkit of resources.

Underpinned by principles of empathic leadership, staff empowerment, student partnership and clear communication, the Framework seeks to ensure that all students are given an equal opportunity to succeed, independent of their background or demographic characteristics. Adopting a broad definition of inclusivity, the Framework moves practice from a culture of reasonable adjustments for individual students to considering the needs of a diverse student body and the wide range of ways in which life can impact on student success.

Our innovative Framework and toolkit are available publicly and form the starting point for a QAA-funded project that aims to make the implementation of inclusive educational practices as straightforward as possible across the UK higher education sector and beyond.

“Inclusivity means thinking about equality and equity, access to opportunities and resources and making sure all members of our community have an equal voice. It’s about checking our own biases and tolerances.

Professor Becky Huxley-Binns,
Pro-Vice-Chancellor (Education)

Fulfilling our commitment to social justice

Our Social Justice and Inclusion Strategy 2025 sets out our commitment to celebrating our differences and standing united against intolerance, ignorance and discrimination in all its forms. A launch event for the Strategy in June provided a space for our community to come together to explore the Strategy’s themes and objectives, contribute ideas for future initiatives and mark the relaunch of our Dignity and Respect Advisor and Equality, Diversity and Inclusion (EDI) Champion roles.

Implementation of the Strategy is led by our Social Justice and Inclusion Board, which reports to the University Leadership Team. The Board ensures that we hold one another accountable for progress and is overseeing activity seeking to support positive organisational change across seven work strands: Cultural inclusion, Disability inclusion, Gender inclusion, Life stage inclusion, Relationship inclusion, Socio-economic inclusion and Social Responsibility.

As a member of the Armed Forces Covenant, the University was awarded the Employer Recognition Scheme (ERS) Bronze Award in March 2022, and planning is underway to apply for the Silver award in 2023. The University has joined the Race at Work Charter organised by Business in the Community (The Prince’s Responsible Business Network) and, in August, we announced that we had successfully renewed our Athena Swan Bronze award. This is an important milestone in our journey towards gender equality, and we are ambitious to build on this progress.

A city rooted in freedom

Hull is a city rooted in freedom, and our Wilberforce Institute for the Study of Slavery and Emancipation is playing a central role in the fight to end modern slavery. The Institute helped to shape the UK’s Modern Slavery Act and is part of the £10 million Modern Slavery Policy and Evidence Centre.

In July, the work of the Institute was recognised by the US Congress in the campaign to proclaim a day honouring Venture Smith, a former enslaved person and Black autobiographer.

This year also saw the Institute launch a new global academic essay competition. The Professor Surya Subedi Global Essay Prize on Modern Slavery and the Protection of Human Dignity will be awarded annually for the best original essay in English on the abolition of modern forms of slavery and the protection of human dignity anywhere in the world.

Safe, friendly and welcoming

We seek to provide an environment where every member of our community can reach their full potential.

In March, we became a partner university of the Cowrie Scholarship Foundation (CSF), and we welcomed our first Cowrie Scholar to Hull in autumn 2022. The CSF helps improve access to higher education for economically disadvantaged Black British students, providing jointly funded scholarships with partner universities together with mentorship and resilience programmes to empower students.

The Equator project, led jointly with Sheffield Hallam University, aims to improve racial diversity in geosciences. A pipeline of talented geoscience researchers and workers is critical to the transition to a green, net zero economy, but this area is currently among the least diverse physical science subjects in UK higher education and has low levels of progression into postgraduate research. Thanks to a £100,000 grant from the Natural Environment Research Council, in April 2022 we were able to offer a fully funded research school as part of a programme of work designed to improve the participation and retention of Black, Asian and minority ethnic postgraduate research students in geography, earth and environmental sciences.

In 2022, we launched a new LGBTQ+ scholarship in partnership with Attitude magazine, the UK’s best-selling gay magazine. The six scholarships will help remove some of the barriers members of the LGBTQ+ community can face when accessing higher education. This partnership builds on our commitment to widening participation and follows the recent success of our Jeremy Round Scholarship, the UK’s first LGBTQ+ undergraduate university scholarship. The scholarship was recognised at the 2022 HEIST higher education marketing awards, taking silver in the category for the Best Widening Participation Initiative.

From East Hull Into University

Partnerships are essential in helping us to fulfil our commitment to widening fair access and participation, in particular among disadvantaged communities.

East Hull has the fifth largest percentage of postcodes in England in which there is the lowest rate of progression of young people to university. In a new partnership with the University of York and IntoUniversity, the UK’s largest university access charity, we are helping to encourage and support young people into higher education. Thanks to £1.3 million of funding from philanthropic supporters, The Freedom Centre in East Hull is the new venue for a learning centre delivering aspiration-building workshops, a mentoring programme and after-school academic support sessions to local primary and secondary school students.

This is Hull

In June, our *This is Hull: Uni Life* event saw Year 12 students from schools and colleges across the country explore our campus and get a taste of Hull’s friendly and vibrant student experience.

In addition to engaging activity in the subject areas, visitors also enjoyed street food, sunshine and great local music in our new Festival Square.

The event received positive feedback from teachers and advisers, and multiple schools have already expressed an interest in booking next year.



Inspired in Hull award winners

Inclusive

Winners of the award for Most Outstanding Contribution to Inclusive Practice, Paula Gawthorpe and Dr Katharine Hubbard, Senior Fellows, Teaching Excellence Academy

Paula and Katherine were recognised for the ‘tremendous amount of work they had put into the [Inclusive Education] Framework and how it had provided users with the tools to understand and also reconsider their own practices to ensure they offer inclusive education to students.’

Corporate governance

Summary of the University's Structure of Corporate Governance

The following statement is provided to enable readers of the Annual Report and Statement of Accounts to obtain a better understanding of the governance and legal structure of the University.

The University endeavours to conduct its business in accordance with the seven principles identified by the Committee for Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and has formally adopted the *Higher Education Code of Governance*, published by the Committee of University Chairs (CUC) and updated in September 2020. The University reviewed its compliance with the Code in March 2021 and this was subject to review by internal audit, which confirmed that the University has adopted and is fully compliant with the Code. The University appointed a new University Secretary and Chief Compliance Officer in February 2021 to lead on this and has developed a Governance Action Plan to support continuous improvement and future development. This Action Plan is subject to regular review by the University's Governance and Nominations Committee.

The University is an independent corporation whose legal status derives from a Royal Charter granted in 1954. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, which are approved by the Privy Council and the Office for Students (OfS).

The University is also an exempt charity as defined by the Charities Act 2011, with the OfS acting on behalf of the Charity Commission as the principal regulator for English higher education institutions.

The University strives to be an inclusive community that advances equality and opportunity for all. Our **Social Justice and Inclusion Strategy** sets out our strategic aims. The University remains committed to providing a campus that is free from discrimination, harassment and inequality. Creating an environment in which our staff and students can flourish is at the heart of what this University is about. We recognise that different people bring different ideas, experiences, knowledge and culture. We value this diversity, which enhances our work to spread knowledge, unlock our potential and develop intellectual capital across our community and region.

The University's Charter, Statutes and Ordinances require the University to have two separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

The Council is the governing body, responsible for the general business of the University and for setting its general strategic direction.

In accordance with the University Charter, the majority of Council members, including the Chair, are drawn from outside the University (the lay members). Also included in its membership are the Vice-Chancellor, a Pro-Vice-Chancellor and the Chief Operating Officer, and representatives of the staff of the University and the student body. The lay members receive no fees or payment for the work that they do for the University. George Garlick OBE serves as the Chair of Council.

The following individuals served on Council between 1 August 2021 and 31 July 2022:

Lay Members:

George Garlick OBE	(Pro-Chancellor and Chair)
Ursula Lidbetter OBE	
Julia Whittaker	
Vanessa Lee	
Matt Jukes	
Rosalyn Schofield	
Matthew Swindells	
Richard Thompson	
Denise Wilson OBE	

Non-Lay Members:

Vice-Chancellor	Susan Lea
Chief Operating Officer	John Duffy (to 31 August 2021) Neil Robinson (from 10 January 2022)
A Pro-Vice-Chancellor	David Richards
Senate (appointed member)	David Barrett (from 21 January 2022)
Non-academic staff	Frances Hanson
President, Students' Union	Phoebe Bastiani

The Senate has delegated authority from the Council to oversee the academic work of the University. It directs and regulates the learning, teaching, research and enterprise work of the University, the enhancement of academic quality and assurance of academic standards and the regulation of student discipline. It draws its membership from the academic staff and the students of the institution and is chaired by the Vice-Chancellor.

In compliance with the University's OfS registration, the Vice-Chancellor is the Accountable Officer of the University and has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Professor Susan Lea served as Vice-Chancellor for the academic year 2021/22 and until 31 August 2022. Professor Dave Petley commenced as Vice-Chancellor on 1 September 2022.



Council Committees

The Council normally meets five times each academic year, and much of its detailed work is delegated to committees; in particular during 2021/22, the Finance and Investment Committee (chaired by Vanessa Lee), the Remuneration Committee (chaired by Ursula Lidbetter) and the Audit and Risk Committee (chaired by Rosalyn Schofield). In 2020/21 the Council established a Governance and Nominations Committee (chaired by Julia Whittaker) to provide a focus for reviewing issues of governance and appointments to Council and its committees.

These committees are formally constituted as committees of the Council with written terms of reference and specified membership, including a proportion of lay members of the University Council, non-lay members, where appropriate, and co-opted members. During the COVID-19 pandemic the committees continued to meet on a remote basis. Since the relaxation of national restrictions, committees have continued to meet remotely, but also in person or in a hybrid format.

The **Finance and Investment Committee** provides recommendations to the Council, inter alia, on matters of finance, including the annual revenue and capital budgets, the finance strategy and the estates strategy, and monitors performance in relation to the approved budgets and strategies. The Committee also reviews and recommends to the Council the University Financial Regulations, financial policies and the draft audited financial statements.

The **Remuneration Committee** determines the annual remuneration of senior staff of the University, and the salaries, other benefits and emoluments of the Vice-Chancellor and the University Leadership Team. The University has formally adopted The Higher Education Senior Staff Remuneration Code, published by the CUC in June 2018. Element II, Principle E of this code states that the Remuneration Committee “must be chaired by a lay governor who is not Chair of the governing body”, in this case Ursula Lidbetter. In line with the requirements of the Code, the University publishes its Senior Staff Remuneration and Severance Policy and Procedure, a Senior Staff Remuneration and Severance Annual Report and the agenda and minutes of the Remuneration Committee. The Vice-Chancellor is not a member of the Committee but does attend. They are not present for any discussion of their performance or remuneration.

The **Audit and Risk Committee** advises the Council on the adequacy and effectiveness of the University’s arrangements for risk management control, governance, value for money (economy, efficiency and effectiveness) and for overseeing the University’s policy on fraud and irregularity, ensuring that any significant losses have been properly investigated. The Committee receives internal audit reports and agrees the audit approach and schedule with the external auditors.

The **Honorary Awards Committee** (chaired by the Vice-Chancellor) is a joint Committee of the Council and Senate. The Committee makes recommendations to the Council and Senate on nominations for honorary degrees.

The University **Ethics Committee** (chaired by the Vice-Chancellor’s nominee) is a joint committee of the Council and Senate. It is responsible for reviewing and monitoring the University Ethics Policy and for advising faculties and service areas on procedures and making recommendations to Council and Senate, as appropriate.

As reported above, Council established a **Governance and Nominations Committee** in 2020/21 to provide a focus for issues of governance and appointments to Council and its committees. This has reviewed compliance with the CUC Code of Governance, reviewed the detailed Governance Action Plan and also recommended to Council the appointment of a Senior Independent Council Member. The latter was approved by Council and it was agreed that this role would be fulfilled by the Chair of the Audit and Risk Committee.

The University maintains a Register of Interests of Members of the Council and Senior Officers, which is publicly available. The University also carries out regular checks to ensure that Members of Council and those with senior management responsibilities are fit and proper persons as defined by the OfS’ Public Interest Governance Principles.

The University has a Risk Management Policy and a regularly reviewed and updated Risk Register. These were both reviewed in detail during the year and Council approved the latest versions in July 2022. The Audit and Risk Committee monitors the risk management process. See also *Principal risks and uncertainties* (page 24).

The University complies with the OfS Regulatory Framework. Any enquiries about the governance of the University should be addressed to the University Secretary and Chief Compliance Officer.

Responsibilities of the Council

In accordance with the University’s Charter and Statutes, the Council is responsible for the strategic direction, administration and management of the affairs of the University. It has published a **Statement of Primary Responsibilities**.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the University’s Charter and Statutes, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and other relevant accounting standards. The Council is required to prepare audited 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 causing the financial statements to be prepared, the Council has ensured 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 a going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Council has taken reasonable steps to:

- ensure that funds received from the OfS or UK Research and Innovation (UKRI) were used only for the purposes for which they had been given and in accordance with the terms and conditions for financial support prescribed by the OfS or UKRI in accordance with Condition G2 of the University’s OfS registration;
- ensure that there are appropriate financial and management controls in place to safeguard public funds from other sources;
- safeguard the assets of the University, and 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; and
- secure the economical, efficient and effective management of the University’s resources and expenditure.

In so far as each of the members of the Council is aware:

- there is no relevant audit information of which the auditor is unaware; and
- the Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Internal Control

Scope of Responsibility

The 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. This is in accordance with the responsibilities assigned to the Council in the University’s Charter and Statutes and the conditions attached to the University’s registration with the OfS.

The purpose of the system of internal control

The system of internal control is designed to manage rather than eliminate risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. This is supported by the strategy and operational plans created and delivered by the internal audit team. The University Leadership Team and the Audit and Risk Committee regularly receive updates against the plans, which were approved by Council. From 2020/21, the University has appointed RSM to deliver its internal audit activity to provide additional external assurance and resilience.

Capacity to handle risk

The system of internal control is based on a number of ongoing processes designed to identify the principal risks to the achievement of objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The Council has responsibility for overseeing and reviewing the effectiveness of the system of internal control. See also *Principal risks and uncertainties* (page 24).

Review of Effectiveness

The Council’s review of the effectiveness of the system of internal control is informed by the University’s internal auditors who operate to defined professional standards. The internal auditors deliver regular improvement and assurance reports to the University, the results of which are summarised in an annual report and opinion, provided to the Council via the Audit and Risk Committee. The annual report presents an independent opinion on the adequacy and effectiveness of the institution’s system of internal control.

The Audit and Risk Committee produces an annual report to Council that details the internal audit annual opinion on the effectiveness of risk management, control, data quality, value for money and governance. There is a defined process to review implementation of agreed actions from reviews undertaken.

The 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 maintenance of the internal control framework, and by outcomes from external audit activity, which is summarised in their management letter and other reports.

Public benefit

The University of Hull is an independent corporation established by Royal Charter and an exempt charity within the meaning of the Charities Act 2011. The Office for Students is the Principal Regulator on behalf of the Charity Commission for English higher education institutions. In setting and reviewing the University's objectives and activities, the University Council has had due regard to Office for Students Regulatory Advice 5: Exempt Charities, together with the Charity Commission's guidance on charities and public benefit, public benefit and fee-charging and the advancement of education for the public benefit.

The majority of the University's Council members are from outside the University (described as lay members), from among whom its Chair is drawn. Also included among its members are representatives of the staff of the University and the student body. Lay members receive no fees or payment for the work they do for the University, although reasonable travel expenses and certain training costs are met.

The University's charitable purposes derive from its Royal Charter to "advance education, scholarship, knowledge and understanding". Principal beneficiaries of our education, research, international outlook and civic engagement include current and potential students, alumni and society at large.

Examples of the public benefit arising from the University's activities are provided throughout this annual report and statement of accounts.

Trade Union facility time

The number of University employees who were relevant union officials during the year to 31 March 2022 was 28 (26.07 FTE). Of these, one employee spent 100% of their time working on facility time. One employee spent between 51% and 99%, 23 spent between 1% and 50% and three spent less than 1% of their time working on facility time. The percentage of the University's total pay bill spent on facility time was 0.17%. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 0%.



Independent auditor’s report to the Council of the University of Hull

Opinion

We have audited the financial statements of the University of Hull (the ‘parent university’) and its subsidiaries (the ‘group’) for the year ended 31 July 2022, which comprise the statement of principal accounting policies, the consolidated and University statement of comprehensive income and expenditure, the consolidated and University statement of changes in reserves, the consolidated and University balance sheet, the consolidated statement of cash flows and notes to the financial statements, 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 group’s and the parent university’s affairs as at 31 July 2022, and of the group’s and the parent university’s income and expenditure, gains and losses, changes in reserves and of the group’s cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

The Council are responsible for the other information. The other information comprises the information included in the annual report set out on pages 4 to 37, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

Responsibilities of the Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council set out on page 35, the Council is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the group’s and the parent university’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent university or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

- We understood how the group and parent university is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - The group and parent university's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - The group and parent university's control environment including the adequacy of procedures for authorisation of transactions

- We assessed the susceptibility of the group and parent university's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the group and parent university operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non compliance with laws and regulations throughout the audit;

Use of our report

This report is made solely to the university's Council, as a body, in accordance with the Charter and Statutes of the university. 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
21 December 2022



Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2022

		2022		2021 (restated)	
		Consolidated	University	Consolidated	University
	NOTE	£'000	£'000	£'000	£'000
Income					
Tuition Fees and Education Contracts	1	124,761	124,761	123,094	123,094
Funding Council Grants	2	25,961	25,961	25,466	25,466
Research Grants and Contracts	3	12,637	12,637	11,384	11,384
Other Income	4	33,480	32,710	25,451	24,361
Investment Income	5	596	607	519	530
Total income before endowments and donations		197,435	196,676	185,914	184,835
Donations and endowments	6	715	715	629	629
Total income		198,150	197,391	186,543	185,464
Expenditure					
Staff Costs	7	142,475	141,487	99,701	98,752
Fundamental restructuring costs	7	799	799	1,141	1,141
Other Operating Expenses	9	56,021	56,625	50,852	50,806
Amortisation and Depreciation	9	27,513	27,510	28,841	28,831
Interest Payable and other finance costs	8	2,839	2,839	1,673	1,673
Total expenditure		229,647	229,260	182,208	181,203
(Deficit)/surplus before other gains and losses		(31,497)	(31,869)	4,335	4,261
Net Gain/(Loss) on Assets	10	250	250	(307)	(307)
Impairment of assets		(1,020)	(1,020)	(1,155)	(1,155)
Share of Operating surplus in associates		1,398	-	-	-
(Deficit)/surplus before taxation		(30,869)	(32,639)	2,873	2,799
Taxation		(71)	-	-	-
(Deficit)/ Surplus for the year		(30,940)	(32,639)	2,873	2,799
Actuarial gain in respect of pension schemes		8,759	8,759	14,003	14,003
Restriction of pension asset		(2,084)	(2,084)	-	-
Unrealised (loss)/gains on revaluation of investment assets		(240)	(240)	522	522
Total comprehensive (expense)/income for the year		(24,505)	(26,204)	17,398	17,324
Represented by:					
Endowment comprehensive (expense)/income for the year	22	(618)	(618)	1,194	1,194
Restricted comprehensive income for the year		-	-	-	-
Unrestricted comprehensive (expense)/income for the year		(23,887)	(25,586)	16,204	16,130
		(24,505)	(26,204)	17,398	17,324

All amounts recognised in the Statement of Comprehensive Income and Expenditure relate to continuing activities.

University Statement of Changes in Reserves

for the year ended 31 July 2022

Consolidated	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
Balance at 31 July 2020	14,576	-	183,393	197,969
Surplus from the income and expenditure statement (restated)	1,194	-	1,679	2,873
Other comprehensive income (restated)	-	-	14,525	14,525
Total comprehensive income for the year	1,194	-	16,204	17,398
Balance at 31 July 2021	15,770	-	199,597	215,367
(Deficit) from the income and expenditure statement	(618)	-	(30,322)	(30,940)
Other comprehensive income	-	-	6,435	6,435
Total comprehensive (expense) for the year	(618)	-	(23,887)	(24,505)
Balance at 31 July 2022	15,152	-	175,710	190,862
University	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
Balance at 31 July 2020	14,576	-	184,066	198,642
Surplus from the income and expenditure statement (restated)	1,194	-	1,605	2,799
Other comprehensive income (restated)	-	-	14,525	14,525
Total comprehensive income for the year	1,194	-	16,130	17,324
Balance at 31 July 2021	15,770	-	200,196	215,966
(Deficit) from the income and expenditure statement	(618)	-	(32,021)	(32,639)
Other comprehensive income	-	-	6,435	6,435
Total comprehensive (expense) for the year	(618)	-	(25,586)	(26,204)
Balance at 31 July 2022	15,152	-	174,610	189,762

Balance Sheet

as at 31 July 2022

		2022		2021	
		Consolidated	University	Consolidated	University
	Note	£'000	£'000	£'000	£'000
NON CURRENT ASSETS					
Intangible assets	11	10,038	10,038	11,395	11,395
Fixed assets	12	292,739	292,923	296,864	297,051
Investment property	13	4,325	4,325	4,325	4,325
Investments	14	16,350	14,992	15,161	15,161
		323,452	322,278	327,745	327,932
CURRENT ASSETS					
Properties for sale	15	3,691	3,691	4,649	4,649
Stocks		32	32	22	22
Trade and other receivables	16	28,372	28,641	26,502	26,967
Investments	17	34,100	34,100	7,100	7,100
Cash and cash equivalents	18	77,081	76,370	34,932	34,559
		143,276	142,834	73,205	73,297
CREDITORS: AMOUNTS FALLING					
DUE WITHIN ONE YEAR	19	(58,525)	(58,009)	(52,760)	(52,440)
NET CURRENT ASSETS		84,751	84,825	20,445	20,857
TOTAL ASSETS LESS CURRENT LIABILITIES		408,203	407,103	348,190	348,789
CREDITORS: AMOUNTS FALLING					
DUE AFTER MORE THAN ONE YEAR	20	(128,845)	(128,845)	(73,708)	(73,708)
PROVISIONS					
Pension provisions	21	(87,196)	(87,196)	(57,904)	(57,904)
Other provisions	21	(1,300)	(1,300)	(1,211)	(1,211)
TOTAL NET ASSETS		190,862	189,762	215,367	215,966
RESTRICTED RESERVES					
Restricted reserves					
I&E reserve - endowment reserve	22	15,152	15,152	15,770	15,770
I&E reserve - restricted reserve		-	-	-	-
Unrestricted reserves		175,710	174,610	199,597	200,196
I&E reserve - unrestricted					
TOTAL RESERVES		190,862	189,762	215,367	215,966

The financial statements were approved by the University Council on 21 December 2022, and signed on its behalf by:

George Garlick OBE (Chair of Council)

Professor Dave Petley (Vice-Chancellor)

Consolidated Cash Flow

for the year ended 31 July 2022

	2022	2021 (restated)
	£'000	£'000
Cash flow from operating activities		
(Deficit)/surplus for the year before tax	(30,869)	2,873
Adjustment for non-cash items		
Depreciation	25,225	26,619
Amortisation of intangibles	2,288	2,222
Loss/(gain) on endowment investments	222	(628)
Loss on investment property	106	307
(Increase)/decrease in stock	(10)	8
(Increase) in debtors	(1,870)	(2,102)
Increase/(decrease) in creditors	8,130	(1,462)
Increase/(decrease) in pension provision	29,292	(14,786)
Actuarial gain in respect of pension schemes	6,675	14,003
Increase/(decrease) in other provisions	89	(791)
Expenditure on capital WIP written off	-	837
Impairment of assets	1,020	1,155
Adjustment for investing or financing activities		
Investment income	(596)	(519)
Interest payable	2,107	848
Endowment income	(31)	(6)
Loss on the sale of fixed & current assets	113	-
(Profit) on share of associated undertakings	(1,398)	-
Capital grant income	(4,463)	(4,205)
Cash inflow from operating activities	36,030	24,373
Taxation	(71)	-
Net Cash inflow from operating activities	35,959	24,373
Cash flows from investing activities		
Proceeds from sales of fixed and current assets	1,250	-
Capital grants receipts	1,039	2,186
(Increase) in deposits	(27,000)	(7,100)
Investment income	596	519
Payments made to acquire fixed assets	(23,438)	(17,088)
Payments made to acquire intangible assets	(931)	(461)
	(48,484)	(21,944)
Cash flows from financing activities		
Interest paid	(2,107)	(848)
Endowment cash received	31	6
New Loans	86,000	-
Repayment of amounts borrowed	(29,250)	(2,057)
	54,674	(2,899)
Increase/(decrease) in cash and cash equivalents in the year	42,149	(470)
Cash and cash equivalents at beginning of the year	34,932	35,402
Cash and cash equivalents at end of the year	77,081	34,932

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.

1. Accounting convention

The financial statements are presented in sterling, and have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the ‘carried forward’ powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by OfS, the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The University has taken the accounting policy choice in FRS 102 paragraph 11.2 to recognise and measure financial instruments in accordance with the provisions of IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). The presentation and disclosure requirements of FRS 102 sections 11 and 12 continue to apply to financial instruments.

2. Change in accounting policy

During the current year, the University issued a private placement of loan notes, with three series – A, B and C. The Series B loan notes include a clause that would cause the loan notes to be classified as ‘non-basic’ in accordance with FRS 102 Sections 11 and 12, which would result in the Series B loan notes being measured at fair value through profit and loss. The Series A and C loan notes would be classified as ‘basic’ and measured at amortised cost.

If the Series B loan notes were classified in accordance with IAS 39, an embedded derivative would be identified, measured at fair value through profit and loss, whilst the underlying loan notes would be measured at amortised cost.

As a result of this, the University has re-assessed the accounting policy choice available in accordance with FRS 102 paragraph 11.2, to recognise and measure financial instruments in accordance with the provisions of IAS 39, rather than FRS 102 Sections 11 and 12.

The University considers that this change in accounting policy results in the financial statements providing reliable and more relevant information compared to the previous policy, in accordance with the requirements of FRS 102 paragraph 10.8(b).

As a change in accounting policy, this has been applied retrospectively, with no changes in the balance sheet as at 31 July 2021 or 1 August 2020 or statement of changes in reserves or cash flow statement for the year ended 31 July 2021.

A single change has been recognised in the Statement of Comprehensive Income and Expenditure, as endowment investments are classified as ‘available for sale’ financial assets in accordance with IAS 39 with fair value movements recognised in other comprehensive income; whereas the fair value movements were recognised in the Income Statement in accordance with FRS 102.

3. Exemption under FRS 102

The University 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 University only in its separate financial statements.

4. Basis of consolidation

The Institution’s activities, together with the factors likely to affect its future development, performance and position, are set out in the [operational and financial review] which forms part of the Board of Governors’ Report. The Board of Governors’ Report 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 consolidated financial statements consolidate the financial statements of the University and its subsidiary undertaking, Lampada Digital Solutions Ltd together with the share of the results of its associate for the financial year ended 31 July 2022. Intra-group transactions are eliminated on consolidation.

Associated companies are accounted for using the equity method.

5. Going concern

The financial statements are prepared on a going concern basis, with forecasts approved by the University Council and as per the Strategic Review and Financial Review, which includes details of the activities of the University and factors likely to affect its future development and performance. The financial position of the University, including its cash flow, liquidity and borrowings is its considered throughout and the Financial Statements and its accompanying notes.

The University Council have considered cash flow forecasts to 31 July 2024, a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the University Council is of the opinion, taking account of a base case forecast and also severe but plausible downsides as well as an extreme reverse stress test scenario, that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2024.

The scenarios modelled include all assume a flat Home UG fee and include the following assumptions:

- potential future impacts of COVID-19 including periods of lockdown,
- a cyber attack,
- implementation of Augar recommendations,
- increased attrition and sustained high inflation.

A more severe, but still plausible, scenario modelled assumes no international students in 2023/24.

An extreme reverse stress test scenario assumes periods of lockdown, a cyber attack, increased attrition, high inflation and a 25% reduction in all intakes in 2023/24. This extreme reverse stress test would result in a potential breach of one of the financial covenants.

The University has identified a range of mitigating actions it can take to reduce costs and respond to adverse scenarios should they arise, as evidenced during the early stages of the COVID-19 pandemic.

These scenarios demonstrate that the University remains financially sustainable with sufficient cash balances, even under the reverse stress test scenario. Financial covenants would be met in all but the final extreme reverse stress test which result in one covenant breach.

Taking account of the analyses of sensitivities of the financial projections, the extended 5 year revolving credit facility, the University’s ability to pay its debts as they fall due and to meet its ongoing financial covenants for the foreseeable future, the University Council confirms that it is appropriate that these financial statements are prepared on a Going Concern basis.

6. Recognition of income

(i) Grant funding
Revenue grant funding including Office for Students block grant, research grants from government sources and all grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and where 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 Balance Sheet, and released to income as the conditions are met.

(ii) Donations and endowments
Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves, through a reserve transfer.

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

(iii) 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.

(iv) Fee income
Tuition fees represent student fees received and receivable attributable to the current accounting period. Fee income is stated gross and credited to the Statement of Comprehensive Income and Expenditure over the period in which students are studying. Funds the Institution receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the Institution where the Institution is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

(v) Investment income
Investment income is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis. Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the individual endowment fund.

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

7. Pensions

The two defined benefit pension schemes for the University's staff are the Universities' Superannuation Scheme (USS) for academic and academic-related staff and the University of Hull Pension and Assurance Scheme for other staff. The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Pension costs are assessed in accordance with the advice of the actuaries to each scheme, based on the latest actuarial valuations of the schemes. The University also contributes to Aviva Pension, a defined contribution scheme in compliance with the government automatic enrolment initiative. The University also contributes to the NHS Pension Scheme when it has employed staff who are already members.

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

(ii) University of Hull Pension and Assurance Scheme
The difference between the fair value of the assets held in the University's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the University's Balance Sheet as a pension scheme asset or liability as appropriate.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the University are charged to the Statement of Comprehensive Income and Expenditure.

The scheme is closed to new entrants, with new staff able to join a defined contribution stakeholder scheme.

Further details are included in note 26 (e) (i) to the financial statements.

iii) Defined contribution Stakeholder Scheme
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees

8. Land and buildings

Land and Buildings are stated at historic or deemed cost. A one off valuation exercise as at 1 August 2014 was conducted under the transition to FRS 102 by an external chartered surveyor. Land is not depreciated as it is considered to have an indefinite useful life. New buildings are depreciated over their expected useful lives of 50 years, or the length of lease for leasehold properties.

New capital expenditure classed as mechanical & electrical works is depreciated over 10 – 25 years according to the type of work and the asset concerned. No depreciation is charged in the year of acquisition.

No depreciation is charged for assets under the course of construction.

Where buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to the Statement of Comprehensive Income and Expenditure over the expected useful life of the buildings.

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.

Borrowing costs are recognised in the period in which they are incurred.

Where it is known that buildings are to be sold in the forthcoming year, their net book value is moved from non-current to current assets, and no depreciation is charged in that year.

9. Service Concession Arrangements

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

10. Equipment

Equipment costing less than £20,000 per individual item, or group of related items, is written off in the year of acquisition. All other equipment is capitalised.

Equipment acquired for specific research projects is depreciated over the project life, by financial year, unless there will be a residual value to the equipment after the project has ended, in which case the economic useful life will be extended.

All motor vehicles, regardless of cost, are capitalised, and depreciated over 8 years. No depreciation is charged in the year of acquisition.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grant is treated as a deferred capital grant and released to income over the expected useful life of the equipment (the period of the grant by financial year in respect of specific research projects).

11. Intangible assets

New capitalised non-IT equipment is depreciated over 5 - 25 years, according to the type of equipment. IT equipment is depreciated over 5 – 10 years, according to the type of equipment.

12. Investment properties

Investment properties are buildings held for rental income rather than use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the surplus or deficit. Properties are not depreciated, but revalued or reviewed annually according to market conditions at 31 July each year.

13. Heritage assets

Heritage assets are treated in line with the University's capitalisation policy, i.e. those with a cost or value over £20,000 are capitalised. Where heritage assets have not been capitalised, details of the nature and age of these assets are disclosed.

14. Maintenance of premises

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure in the period that it is incurred.

15. Provisions for liabilities

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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. This is discounted to present value, if the time value of money is material.

16. Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Changes in value arising on the valuation of fixed asset investments are credited/charged to the Statement of Comprehensive Income and Expenditure.

Investments that form part of endowments are included in the Balance Sheet at market value. Increases/decreases in value arising on the revaluation or disposal of endowment assets are added to, or subtracted from, the funds concerned.

Current asset investments are included in the Balance Sheet at the lower of their original cost and net realisable value.

17. Stocks

Stocks are valued at the lower of cost or net realisable value.

18. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

19. Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. No investments, however liquid, are included as cash. Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities and loan stock but exclude any such assets held as endowment asset investments. Current asset investments represent liquid resources held wholly as term deposits.

20. Taxation status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) 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.

The University's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

21. Agency arrangements

Where the University receives and disburses funds as paying agent on behalf of a funding body for which the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction, then the related income and expenditure is excluded from the Statement of Comprehensive Income and Expenditure.

22. Financial instruments

The University has taken the accounting policy choice available in FRS 102 Section 11 to apply IAS 39 Financial Instruments: Recognition and Measurement in relation to financial instruments.

Financial assets and financial liabilities are recognised on the University’s balance sheet when the University becomes a party to the contractual provisions of the instrument.

The University derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University recognises its retained interest in the asset and an associated liability for any amounts it may have to pay. If the University retains substantially all the risks and rewards of ownership of a transferred financial asset, the University continues to recognise the financial asset.

The University derecognises financial liabilities when, and only when, the University’s obligations are discharged, cancelled, or expire.

The specific application of these principles in relation to the University’s financial instruments means that:

- Trade, student and research debtors are classified as ‘loans and receivables’, are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. A provision is made when there is evidence that the University will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.
- Current asset investments represent investments with maturity dates of over three months and less than one year. Current asset investments are classified as ‘loans and receivables’, are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.
- Endowment investments classified as ‘available for sale’ financial assets, are initially recognised at fair value and subsequently measured at fair value through Other Comprehensive Income.

- The investment in UPP (Hull) Limited is classified as an ‘available for sale’ financial asset. This investment is measured at cost, on the basis fair value cannot be measured reliably.
- Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months and are held at face value which is equal to fair value..
- Amounts owed by Subsidiary companies are classified as ‘loans and receivables’ are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.
- Trade and other creditors are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method.
- Bank loans are initially recognised at fair value, less attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

Loan notes are assessed on issue as to whether they should subsequently be measured at amortised cost or fair value through profit and loss. Where the loan notes do not have an embedded derivative, or where they have an embedded derivative that is closely related to the host contract, they are initially recognised at fair value, less attributable transaction costs; and subsequently measured at amortised cost using the effective interest rate method.

Where the loan notes have an embedded derivative that is not closely related to the host contract; then the embedded derivative is separated out and subsequently measured at fair value through profit and loss; and the host contract is subsequently measured at amortised cost using the effective interest rate method.

23. Reserves

Reserves are classified as endowment reserves or unrestricted reserves. Endowment reserves include balances which have been endowed to the University.

24. Significant judgements and estimates

Accounting judgements and estimates are made after consideration of facts and receipt of advice from external parties where relevant.

Judgements

- (i) West Campus Residences Project (WCRP) Judgements have been taken in accounting for amounts attributable to individual elements of the WCRP.
- Subleases issued by UPP (Hull) Ltd to the University on changing rooms, a shop, a café and car park spaces built by UPP (Hull) Ltd also form part of the total

consideration. The University is treating these leases as prepaid through a reduction in the total consideration received. Estimates of the value of the prepaid lease obligations are based on the market value of similar leased assets as provided by an external valuer. The fair value of these lease obligations has been accounted for as a prepayment in the financial statements and will be released over the 50-year life of the leases.

The WCRP agreement includes the refurbishment and management of student accommodation at Taylor Court by UPP (Hull) Ltd. The University judged that the issuing of a 50-year lease for the land and buildings is in substance a disposal of the buildings to UPP (Hull) Ltd, based on the assessment that the remaining useful economic life of the buildings is the total term of the lease. Furthermore, an estimate has been made of £17m for the fair value of the lease arrangement based on an assessment made by an external valuer. The fair value of the buildings has been estimated by management to be in line with the net book value of the buildings before the transaction of £5m. Thus the value of the lease obligations that UPP owes to the University for the rental of the land at Taylor Court has been estimated at £12m. This prepayment of rent has been accounted for as deferred income and will be released over the 50-year life of the lease.

Consideration from UPP includes a prepayment of lease obligations in respect of the lease of land from the University to UPP on the WCRP site. The value of the lease obligations has been estimated by reference to an external valuation of the market rent of the land. The total value of £3.7m has been accounted for as deferred income and will be released over the 50-year lease term. The project includes 12 year contracts for security and maintenance of the WCRP site to be provided by the University. UPP have effectively prepaid the contract obligations in advance as part of total consideration for the project. These contracts have been valued within the agreement at £420k and £456k respectively, and the prepayment by UPP has been accounted for as deferred income and will be released over the 12-year term of the contracts.

Under the WCRP, the University commits to an annual nominations agreement with UPP (Hull) Ltd for the provision of student accommodation. A one year nominations agreement is made between the University and UPP (Hull) Ltd in January each year for the following academic year. This arrangement is deemed to be a Service Concession Arrangement under the terms of Section 34 of FRS 102 and the University recognises the assets and liabilities to the extent that the University is required to fulfil nominations commitments at each 31 July.

The University holds 10% equity in UPP (Hull) Ltd, the Special Purpose Vehicle set up to operate the residences. This investment is accounted for within non current investments (see note 13 to the financial statements) on the basis that the University does not control the activities of this entity.

Estimates

- (ii) Pensions
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 the Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The University is satisfied that the 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.

Pension provisions are calculated on the basis of assumptions agreed with scheme actuaries, in relation to future salary increases, mortality rates, discount rates and inflation rates. Changes to any of the assumptions could have a material impact on the valuation of the pension schemes. More details are included in note 26.

- (iii) Fixed assets
Following the one off valuation of certain land and buildings as at 1 August 2014, on transition to FRS 102, estimates were made of remaining useful economic life of the assets and the proportion of each asset’s total value to be attributed to its constituent components. These estimates were determined after consideration by the Estates management team and the external valuer. Both estimates are used as the basis for calculating annual depreciation.
- (iv) Debtors
The University makes an estimate of the recoverable value of debtors. When assessing the provision for bad debt required, consideration is given to the aged profile of debtors and historical experience.

Notes to the Accounts

1. TUITION FEES AND EDUCATION CONTRACTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	83,404	83,404	92,539	92,539
Full-time international students	35,374	35,374	23,131	23,131
Part-time students	3,744	3,744	4,112	4,112
Research Training Support Grants	477	477	510	510
Short course fees	1,762	1,762	2,802	2,802
	124,761	124,761	123,094	123,094

2. FUNDING COUNCIL GRANTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant				
Office for Students (OfS)	10,398	10,398	10,308	10,308
Research England (RE)	7,841	7,841	8,014	8,014
Capital Grant - OFS	2,243	2,243	2,282	2,282
Capital Grant - RE	878	878	826	826
Specific grants				
Department For Education and Skills	270	270	28	28
Higher Education Innovation Fund	1,679	1,679	1,426	1,426
THYME	154	154	221	221
NCOP (OFS)	307	307	1,363	1,363
GCRF	-	-	480	480
Humber Outreach Programme (HOP)	1,026	1,026	-	-
Other OFS	24	24	-	-
Other Research England	1,141	1,141	518	518
	25,961	25,961	25,466	25,466

Funding Council Grants represent grants from the Office for Student, Research England and the Department of Education and Skills.

3. RESEARCH GRANTS AND CONTRACTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research Councils	3,634	3,634	2,879	2,879
UK charities	2,345	2,345	1,736	1,736
UK central government	1,252	1,252	1,475	1,475
Local authorities	140	140	133	133
Health & hospitals	1,746	1,746	1,086	1,086
UK industry	883	883	1,173	1,173
EU	1,975	1,975	2,186	2,186
Overseas and other sources	662	662	716	716
	12,637	12,637	11,384	11,384

Notes to the Accounts

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

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
OfS	12,972	12,972	13,953	13,953
Other bodies	12,989	12,989	11,513	11,513
Research awards	12,637	12,637	11,384	11,384
Non-qualifying	2,239	2,239	3,312	3,312
Taught	122,522	122,522	119,782	119,782
Total	163,359	163,359	159,944	159,944

4. OTHER INCOME

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, Catering and Conferences	15,836	15,836	8,906	8,906
Other services rendered	5,322	5,322	4,497	4,497
Health authorities	3,163	3,163	2,942	2,942
Released from deferred capital grants	934	934	882	882
Rents receivable and Facilities income	1,537	1,537	1,219	1,219
ERASMUS grants	188	188	25	25
Other Government grants (Coronavirus Job Retention Scheme)	33	33	1,176	1,077
Other revenue grant and departmental income	3,581	3,581	2,748	2,748
Other income	2,886	2,116	3,056	2,065
	33,480	32,710	25,451	24,361

5. INVESTMENT INCOME

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment income on endowments	177	177	229	229
Interest on inter-company loan	-	11	-	11
Other investment income	419	419	290	290
	596	607	519	530

6. DONATIONS AND ENDOWMENTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
New endowments	31	31	6	6
Unrestricted donations	684	684	623	623
	715	715	629	629

Notes to the Accounts

7. STAFF

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Staff Costs:				
Wages & Salaries	76,048	75,169	74,710	73,852
Social Security Costs	8,169	8,077	7,421	7,345
Movement on USS provision	38,236	38,236	1,128	1,128
Other Pension Costs	23,022	23,005	19,179	19,164
Other pension adjustments	(3,000)	(3,000)	(2,737)	(2,737)
	142,475	141,487	99,701	98,752
Fundamental restructuring costs (2022: 19 individuals; 2021: 62 individuals)	799	799	1,141	1,141
	143,274	142,286	100,842	99,893

In May 2009 the University introduced a pension salary sacrifice scheme for most staff. From that date, employee pension contributions, effectively paid over by the University on behalf of employees, are included within other pension costs as employer contributions (and are construed as such) with a corresponding reduction in the wages and salaries heading which formerly included employee contributions (2022: £5,957k; 2021: £5,281k).

During the year the University offered a compensation scheme for voluntary leavers as part of its ongoing transformation work to restructure the organisation. Costs and numbers of individuals accounted for in the current and previous financial years are shown above.

The Vice-Chancellor's basic salary is 6.9 times (2021: 6.1 times) the median pay of all University staff.

	2022	2021
	University £'000	University £'000
Emoluments of the Vice-Chancellor:		
Salary before salary sacrifice arrangements	252	229
Salary sacrificed	(22)	(20)
Salary after salary sacrifice arrangements	230	209
Employers pension contributions	53	48
Pension contributions made under salary sacrifice arrangements	22	20
Total pension contributions	75	68
Total	305	277

The emoluments of the Vice-Chancellor apply to the Vice-Chancellor in post for the year ended 31 July 2022 and who subsequently vacated the post in August 2022.

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff and the employer contributions to USS are paid at the same rate as for other academic staff.

The Vice-Chancellor's total remuneration is 7.3 times (2021: 6.2 times) the median total remuneration of all University staff.

The University of Hull employs c. 2,500 people and had a turnover of c. £197m in 2021/22. The University makes a valuable contribution to the social and cultural life of the city and region, acting as an anchor institution in the region, working alongside public sector and commercial organisations in driving productivity and creating a sense of place.

The University inspires over 16,500 students from over 100 countries every year and conducts world-renowned research, operating as a global business, recruiting international students and providing teaching internationally, notably in Hong Kong and China, and partnering with a range of international organisations. In recruiting and retaining a Vice-Chancellor, the University is affected by the global market for talent, particularly since significantly higher levels of remuneration available in the US and Australia make it harder to recruit and retain key staff. It is critical the University of Hull is able to attract, recruit and retain the best possible academic and professional leadership.

The University's Remuneration Committee is a committee of the University Council and acts within the remit of Council, and within the delegations given to it by Council and the University Charter. It provides assurance to Council regarding senior staff remuneration.

The terms of reference of Remuneration Committee, including the names of members of the committee, who are appointed by Council, are available from the University's Governance Team.

Remuneration Committee makes decisions affecting the emoluments (including severance payments) of members of the University Leadership Team. The role of Remuneration Committee also covers the oversight and monitoring of the remuneration and severance payments made to other senior staff earning over £100,000 per annum.

Notes to the Accounts

The Remuneration Committee is required to meet at least one time per academic year and ordinarily meets in October. Details of the meetings, including the dates of meetings, members' attendance and minutes are published on the University's website.

The University will ordinarily determine the market rate of a role with reference to the UCEA Senior Salary Remuneration Survey and a standard, local definition of the market within which the University operates. When considering reward the University primarily takes into account an individual's performance and their impact on the achievement of University's goals above. The University also takes into account changes in the market, measures necessary to effectively manage equality issues, the need to recognise developmental progression and retain staff and substantial changes to roles.

Vice-Chancellor Remuneration
The demands on the Vice-Chancellor are complex, operating within a highly competitive environment both nationally and internationally, where student demand for places both at subject and institutional level is increasingly volatile. The Vice-Chancellor's performance is judged through an annual appraisal process of objective setting and monitoring performance against those objectives. Performance is reported to the University's Remuneration Committee annually and this committee is responsible for ensuring the annual remuneration package is commensurate with the Vice-Chancellor's performance and responsibilities.

The Vice-Chancellor has led a major, holistic programme of transformation focussed on regaining financial stability and sustainability and improving the University's performance. This has seen the University rise dramatically in the league tables year on year for the past three years, deliver above-sector student satisfaction in undergraduate and postgraduate student experience, and play a strong role in the region as well as achieving an enhanced reputation and profile nationally and internationally.

The impact of the University's research has continued to gain recognition, most recently with experts in low-carbon energy, flood resilience and sustainability presenting at the global COP26 climate summit. At a national level, the University's research is improving health outcomes and addressing inequalities by enabling earlier detection of cancer, dementia and heart disease.

The delivery of the University's Strategy 2030 has continued this past year with significant successful outcomes including improved staff and student engagement linking to strategic themes concerning People, Place and Partnership working, the returned growth of the overall student population, increased international student recruitment supported by improved reputation and reach, a growth in PGT (post-graduate taught) headcount, carbon emissions reduced against baseline, improved REF2021 position, increased proportion of world-leading research, and above sector average student satisfaction results.

	2022	2021
	Consolidated Number	Consolidated Number
Average Staff Numbers by Major Category		
Academic departments	995	1,008
Central Student Services	72	93
Central Administration	526	518
Premises	152	156
	1,745	1,775

Notes to the Accounts

Remuneration of Higher Paid Staff

(excluding employers pension contributions), excluding the Vice-Chancellor

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

	2022	2021
	Consolidated	Consolidated
	No. of Staff	No. of Staff
£180,000 - £184,999	-	1
£175,000 - £179,999	-	-
£170,000 - £174,999	1	1
£165,000 - £169,999	-	-
£160,000 - £164,999	-	-
£155,000 - £159,999	1	1
£150,000 - £154,999	-	-
£145,000 - £149,999	-	-
£140,000 - £144,999	1	-
£135,000 - £139,999	-	-
£130,000 - £134,999	2	2
£125,000 - £129,999	1	3
£120,000 - £124,999	1	-
£115,000 - £119,999	1	1
£110,000 - £114,999	3	3
£105,000 - £109,999	1	-
£100,000 - £104,999	4	-
	16	12

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University, the Vice Chancellor and the University Leadership Team. There has been an increase in senior colleagues considered to be key management personnel during the year and this has resulted in a significant increase in the disclosed cost (see table below). Staff costs in note 7 include compensation paid to key management personnel.

	2022	2021
	Consolidated	Consolidated
	£'000	£'000
Key management personnel	2,316	1,477

8. INTEREST PAYABLE AND OTHER FINANCE COSTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Bank and other Loans repayable within 1 year	-	-	-	-
Bank and other Loans wholly or partly repayable in more than 5 years	2,107	2,107	848	848
Net charge on pension scheme	732	732	825	825
	2,839	2,839	1,673	1,673

Notes to the Accounts

9. ANALYSIS OF EXPENDITURE BY ACTIVITY

Consolidated	Staff Costs	Amortisation/ Depreciation	Other Operating Expenditure	Interest Payable	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	89,900	1,087	9,304	-	100,291	73,228
Academic Services	11,674	4,138	8,177	-	23,989	19,727
Research Grants and Contracts	7,642	407	3,042	-	11,091	8,788
Residences, Catering and Conferences	4,456	8,738	2,591	-	15,785	14,493
Premises	2,812	13,113	7,249	2,839	26,013	25,132
Administration	10,252	17	6,017	-	16,286	11,035
Services Rendered	690	-	1,065	-	1,755	1,357
Other Expenses	15,049	10	18,576	-	33,638	27,307
	142,475	27,513	56,021	2,839	228,848	181,067

Fundamental restructuring costs	799	-	-	-	799	1,141
	143,274	27,513	56,021	2,839	229,647	182,208

Other operating expenses include:

External auditors remuneration in respect of audit services					106	80
External auditors remuneration in respect of audit services for subsidiaries					4	4
External auditors remuneration in respect of non audit services					10	11
External auditors remuneration in respect of pension audit					-	-

University	Staff Costs	Amortisation/ Depreciation	Other Operating Expenditure	Interest Payable	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	89,900	1,087	9,304	-	100,291	73,227
Academic Services	11,674	4,138	8,177	-	23,989	19,727
Research Grants and Contracts	7,642	407	3,042	-	11,091	8,788
Residences, Catering and Conferences	4,456	8,738	2,591	-	15,785	14,493
Premises	2,812	13,113	7,249	2,839	26,013	25,132
Administration	10,252	17	6,017	-	16,286	11,035
Services Rendered	690	-	1,065	-	1,755	1,357
Other Expenses	14,061	10	19,180	-	33,251	26,303
	141,487	27,510	56,625	2,839	228,461	180,062

Fundamental restructuring costs	799	-	-	-	799	1,141
	142,286	27,510	56,625	2,839	229,260	181,203

Other operating expenses include:

External auditors remuneration in respect of audit services					106	80
External auditors remuneration in respect of non audit services					10	11

Notes to the Accounts

9b. ACCESS AND PARTICIPATION

	2022	2021
	£'000	£'000
Access Investment	1,320	974
Financial Support	943	3,412
Disability Support	1,009	833
Research and Evaluation	297	146
	3,569	5,365

£1,841k (2021: £1,524k) of these costs are already included in the overall staff costs figures included in the financial statements, see note 7.

The University's Access and Participation Plan, approved by the OfS can be found at:
hull.ac.uk/choose-hull/university-and-region/key-documents/docs/access-and-participation-plan-2020-25.pdf

Access Investment

Our core outreach programme is designed to provide a coherent and sustained experience for participating students. Outreach interventions are delivered primarily by Outreach Officers within our Schools and Colleges Engagement team to target schools and sixth forms/colleges. All of the schools and colleges have been selected as target institutions based on data for their pupils such as the proportion of students eligible for free school meals, living in low participation areas, or living in high deprivation areas.

Financial Support

Financial support includes bursaries for students from low household incomes, and also a range of scholarships and grants for undergraduate students who are seeking sanctuary or have experience of care, are a young adult carer or who are estranged from their parents.

Students who are in financial hardship can apply for support from our Hardship Support Fund which is widely promoted within the University.

Disability Support

Disability support includes the provision of tutors and advisors to provide focused and specific support.

Research and Evaluation

We have a growing research and evaluation team to ensure our measures are informed by the best available evidence on what works for students and to monitor achievement against key targets as set out in the University's plan.

10. NET GAIN/(LOSS) ON ASSETS

	2022		2021	
	£'000		£'000	
University and Consolidated				
Realised loss on disposal of fixed assets	(113)	(113)	-	-
Unrealised loss on revaluation investment property	(106)	(106)	(307)	(307)
Unrealised gains on derivatives measured at fair value through profit or loss	469	469	-	-
	250	250	(307)	(307)

Recognised in Other Comprehensive Income and Expenditure

Unrealised (loss)/gains on revaluation of investment assets	(240)	(240)	552	552
	(240)	(240)	245	245

Notes to the Accounts

11. INTANGIBLE ASSETS

	Software	
	Consolidated	University
	£'000	£'000
Cost		
At 1 August 2021	16,823	16,823
Additions	931	931
At 31 July 2022	17,754	17,754
Amortisation		
At 1 August 2021	5,428	5,428
Charge	2,288	2,288
At 31 July 2022	7,716	7,716
Net Book Value		
At 31 July 2022	10,038	10,038
Net Book Value		
At 31 July 2021	11,395	11,395

The amortisation period is 7 years.

12. FIXED ASSETS

	Land & Buildings		Service Concession Arrangement	Mechanical & electrical	Equipment	Work in progress	Total
	Freehold	Leasehold					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated							
Cost:							
At 1 August 2021	249,729	1,085	8,738	93,099	41,613	3,007	397,271
Additions	-	-	9,933	-	539	12,685	23,157
Transfers to Intangible Assets	-	-	-	-	-	(931)	(931)
Transfers to investment property	-	-	-	-	-	(106)	(106)
Transfers from WIP	-	-	-	3,501	2,577	(6,078)	-
Disposals	-	-	(8,738)	-	-	-	(8,738)
At 31 July 2022	249,729	1,085	9,933	96,600	44,729	8,577	410,653
Depreciation:							
At 1 August 2021	37,593	915	-	28,956	32,943	-	100,407
Charge for the year	5,975	7	8,738	6,595	3,910	-	25,225
Impairment of assets	975	-	-	45	-	-	1,020
Disposals	-	-	(8,738)	-	-	-	(8,738)
At 31 July 2022	44,543	922	-	35,596	36,853	-	117,914
Net Book Value							
At 31 July 2022	205,186	163	9,933	61,004	7,876	8,577	292,739
Net Book Value							
At 1 August 2021	212,136	170	8,738	64,143	8,670	3,007	296,864

Notes to the Accounts

	Land & Buildings		Service concession arrangement	Mechanical & electrical	Equipment	Work in progress	Total
	Freehold	Leasehold					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
University							
Cost							
At 1 August 2021	249,729	1,085	8,738	93,099	41,564	3,198	397,413
Additions	-	-	9,933	-	533	12,685	23,151
Transfers to Intangible Assets	-	-	-	-	-	(931)	(931)
Transfers to investment property	-	-	-	-	-	(106)	(106)
Transfers from WIP	-	-	-	3,501	2,577	(6,078)	-
Disposals	-	-	(8,738)	-	-	-	(8,738)
At 31 July 2022	249,729	1,085	9,933	96,600	44,674	8,768	410,789
Depreciation:							
At 1 August 2021	37,593	915	-	28,956	32,898	-	100,362
Charge for the year	5,975	7	8,738	6,595	3,907	-	25,222
Impairment of assets	975	-	-	45	-	-	1,020
Disposals	-	-	(8,738)	-	-	-	(8,738)
At 31 July 2022	44,543	922	-	35,596	36,805	-	117,866
Net Book Value							
At 31 July 2022	205,186	163	9,933	61,004	7,869	8,768	292,923
At 1 August 2021	212,136	170	8,738	64,143	8,666	3,198	297,051

As permitted by FRS 102, the University conducted a one-off valuation of some of its land and buildings as at 1 August 2014 and adopted these valuations as deemed cost. The valuation was conducted by Clark Weightman Chartered Surveyors in accordance with the terms of the Royal Institution of Chartered Surveyors’ Valuation Professional Standards 2014 and consistent with the requirements of FRS 102 and the SORP.

Heritage assets

Virtually no heritage assets are held on the Balance Sheet, having been acquired through donation or historically expensed through the income & expenditure account (ie non capitalisation in previous periods). It is not considered that analysis of past accounting records to determine cost and/ or an appropriate value to place on the University’s Balance Sheet would provide any additional benefit to the users of the University’s accounts. Purchased heritage assets are treated in line with the University’s capitalisation policy.

Service concession arrangements

The University has a service concession arrangement with University Partnerships Programme Limited (UPP) for the provision of student residential accommodation services. In 2017 the University entered into a 50 year contract with UPP for the provision of residential accommodation services.

The assets and liabilities relating to this contract are recognised on the University’s Balance Sheet to the extent that the University is required to fulfil nomination commitments at each 31 July. This commits the Unviersity to pay for these rooms in the following year only. It is anticipated that student rents received will fully fund this obligation. At the end of the contract term the buildings will revert back to the University. The University has the right to nominate rooms each January for the following academic year.

The asset value of the service concession in the Balance Sheet as at 31 July 2022 is £9,933k (2021: £8,738k).

The total liabilities relating to the service concession in the balance sheet as at 31 July 2022 were £9,993k (2021: £8,738k), representing the present value of lease obligations for the following academic year. All our future commitments in relation to the service concession arrangement are payable within one year.

Notes to the Accounts

13. INVESTMENT PROPERTY

	2022	2022
	Consolidated	University
	£'000	£'000
At 1 August 2021	4,325	4,325
Additions	106	106
Market value adjustment	(106)	(106)
At 31 July 2022	4,325	4,325

A full independent valuation of the investment property was carried out as at 31 July 2022 by Garness Jones. This was in accordance with the RICS Valuation Global Standards January 2017 (“the Red Book”).

14. NON CURRENT INVESTMENTS	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Endowment investments	11,487	11,487	12,125	12,125
UPP (Hull) Limited	2,736	2,736	2,736	2,736
Virtual Limited	1,316	-	-	-
Medimusic Limited	42	-	-	-
ERGO Centre	300	300	300	300
Derivatives	469	469	-	-
	16,350	14,992	15,161	15,161

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issues shares held %	Nature of business	Registered office
Lampada Digital Solutions Ltd	England and Wales	Ordinary	100	Digital technology	Venn Building, Cottingham Road, Hull. HU6 7RX
Virtual Limited	England & Wales	Ordinary	36	Virtual Radiography	Building 1 @ The Dock, 31-38 Queen Street, Hull. HU1 1UU
Kingston Chemicals Limited	England & Wales	Ordinary	21	Liquid Crystals	21 Marina Court, Castle Street, Hull. HU1 1TJ
UPP (Hull) Limited	England and Wales	Ordinary	10	Student accommodation	1st floor 12, Arthur Street, London. EC4R 9AB
ERGO Centre	England and Wales	Ordinary	13.63	Renewable technology hub	Bridgehead Business Park, Meadow Road, Hessle. HU13 OGD
University Campus Scarborough Limited	England and Wales	Ordinary	100	Dormant	University Solicitors Office, University of Hull, Cottingham Road, Hull. HU6 7RX

All of the above undertakings operated entirely in their country of incorporation.

Virtual Limited has been consolidated as an associated undertaking using the equity method for the first time in year ending 31 July 2022.

The University continues to hold an investment of £180 in Kingston Chemicals.

Notes to the Accounts

15. PROPERTIES FOR SALE

Two student residences and one other property are to be sold in 2022/23. The net book value of £3,691k (2021: £4,649k) has been moved from fixed assets to current assets, and no depreciation charged in the year.

16. TRADE AND OTHER RECEIVABLES

Debtors falling due within one year:

	2022		2021	
	Consolidated	University	Consolidated	University
Trade, student and research debtors	15,497	14,593	14,878	14,669
Amounts owed by subsidiary companies	-	1,239	-	876
Prepayments and Accrued Income	7,989	7,923	6,671	6,469
	23,486	23,755	21,549	22,014

Debtors falling due after more than one year:

Trade, student and research debtors	1,800	1,800	1,800	1,800
Prepayments and Accrued Income	3,086	3,086	3,153	3,153
	4,886	4,886	4,953	4,953
	28,372	28,641	26,502	26,967

17. CURRENT INVESTMENTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deposits maturing in one year or less	34,100	34,100	7,100	7,100

Deposits are held with banks and building societies in accordance with the University's Treasury Management Policy, with more than 3 months maturity at the Balance Sheet date. The interest rates for these deposits are variable based on base rate movements during the period of investment.

18. CASH AND CASH EQUIVALENTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Endowments	3,665	3,665	3,645	3,645
ST investments < 3mths	51,186	51,186	27,816	27,816
Cash at bank	22,230	21,519	3,471	3,098
	77,081	76,370	34,932	34,559

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grants and Donations Received in Advance	10,482	10,482	9,379	9,379
Bank Loan (note 20)	-	-	2,000	2,000
Creditors	11,167	10,887	13,464	13,417
Amounts owed to subsidiary companies	-	1,062	-	132
Service Concession Arrangement	9,933	9,933	8,738	8,738
Social Security and other Taxation Payable	2,894	2,796	2,166	2,140
Accruals and Other Deferred Income	20,060	18,860	12,827	12,448
Deferred capital grants	3,989	3,989	4,186	4,186
	58,525	58,009	52,760	52,440

Included with Accruals and Other Deferred Income is £3,886k (2021: £4,173k) of tuition fee income received in advance.

Notes to the Accounts

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Loans	-	-	27,250	27,250
Loan notes repayable 2034 to 2042	86,000	86,000	-	-
Other deferred income	14,192	14,192	14,578	14,578
Deferred Capital Grants	28,653	28,653	31,880	31,880
	128,845	128,845	73,708	73,708

Loans/Loan Notes are repayable as follows:

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Less than one year	-	-	2,000	2,000
Between one and two years	-	-	2,000	2,000
Between two and five years	-	-	6,000	6,000
In five years or more	86,000	86,000	19,250	19,250
	86,000	86,000	29,250	29,250

£86.0m (2021: £19.3m) of creditors relate to loans which fall due after more than five years.

The University issued £86.0m private placement of loan notes in the current year to aid its broader investment strategy. The notes are in three series' as follows:

- Series A repayable 2034 with a fixed interest rate of 3.40%
- Series B repayable 2037 with a fixed interest rate of 3.61%
- Series C repayable 2042 with a fixed interest rate of 3.88%

The Series A, B and C loan notes have been assessed and have been determined to include an embedded derivative, which is not closely related to the host contract. This embedded derivative arises from the specific terms of the University's prepayment option in the loan notes. Therefore, the embedded derivative is measured at fair value through profit and loss. The underlying loan notes are measured at amortised cost.

21. PROVISION FOR LIABILITIES AND CHARGES

	Consolidated and University				
	USS provision	Pension scheme provisions	Total Pension provisions	Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2021	27,102	30,802	57,904	1,211	59,115
Utilised in Year	(1,146)	-	(1,146)	(52)	(1,198)
Movements	39,618	(9,179)	30,439	141	30,580
At 31 July 2022	65,573	21,623	87,196	1,300	88,496

Pension scheme provisions relate to the University's liability in relation to its share of the agreed deficit recovery plan for the scheme, and the deficits on the both the University's own pension scheme and its part of the North Yorkshire pension scheme deficit. Further details are included in the Statement of Principal Accounting Policies and note 27 to the financial statements.

Other provisions include £810k provision for demolition costs. In addition £490k partly represents the present value of future pension enhancements in respect of former University College Scarborough employees who have taken early retirement (£484k) plus an amount of £6k for former University of Hull employees where the pension is paid directly by the University.

Notes to the Accounts

22. ENDOWMENT RESERVES

	Consolidated and University						
	Unrestricted Permanent	Restricted Expendable	Restricted Permanent	CMRI endowment	Restricted Total	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Value	8,612	849	4,243	-	5,092	13,704	12,573
Accumulated income	-	16	2,038	12	2,066	2,066	2,003
At 1 August 2021	8,612	865	6,281	12	7,158	15,770	14,576
New endowments		-	31	-	31	31	6
Increase/(decrease)in market value of investment	(451)	-	(240)	-	(240)	(691)	1,148
Investment Income	140	3	75	-	78	218	230
Expenditure	(140)	(24)	(5)	(7)	(36)	(176)	(190)
Total endowment comprehensive income for the year	(451)	(21)	(139)	(7)	(167)	(618)	1,194
At 31 July 2022	8,161	844	6,142	5	6,991	15,152	15,770
Represented by:							
Capital	8,161	849	4,035	-	4,884	13,045	13,704
Accumulated income	-	(5)	2,107	5	2,107	2,107	2,066
	8,161	844	6,142	5	6,991	15,152	15,770
Analysis by type of purpose:							
Fellowships and scholarships	-	569	2,450	-	3,019	3,019	3,003
Prize funds	-	42	538	-	580	580	547
Chair and lectureship funds	-	-	1,616	-	1,616	1,616	1,600
Other	8,161	233	1,538	5	1,776	9,937	10,620
	8,161	844	6,142	5	6,991	15,152	15,770
Analysis by asset:							
Current and non current asset investments (note 14)						11,487	12,125
Cash and cash equivalents (note 18)						3,665	3,645
						15,152	15,770

The unrestricted permanent endowment fund is the founding bequest to the University made in 1927 by Mr Thomas Ferens with all income generated available for use by the University in supporting its recurrent activities. This is reflected in the SOCI.

Restricted permanent endowments consist of 130 individual bequests, all with different specified uses and of varying size. Income generated within the year is used to support students in accordance with the terms of the endowment, generally through scholarships, bursaries and prizes, and staff through academic sponsorship.

The CMRI endowment represents funds provided by Yorkshire Cancer Research (YCR), with investment income used to fund research activities as approved by YCR.

23. CAPITAL COMMITMENTS

	2022		2021	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Commitments Contracted for at 31 July	3,466	3,466	2,623	2,623

These commitments will be funded by operating cash flows.

Notes to the Accounts

24. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31st July 2022 the decision was taken to retain the Dennison building which was disclosed within Properties for resale at the year-end. If this decision had been taken prior to the year-end Dennison would have been disclosed within Fixed Assets and Properties for resale reduced by £438k accordingly.

25. FINANCIAL INSTRUMENTS

	2022		2021	
	Consolidated	University	Consolidated	University
Financial assets that are debt instruments measured at amortised cost:				
Cash	77,081	76,370	34,932	34,559
Trade, student and research debtors	15,497	14,593	14,878	14,669
Current asset investments	34,100	34,100	7,100	7,100
Amounts owed by subsidiary companies	-	1,239	-	876
	126,678	126,302	56,910	57,204

Financial assets that are equity instruments measured at cost

Non-current asset investments	2,736	2,736	2,736	2,736
	2,736	2,736	2,736	2,736

Financial liabilities measured at amortised cost:

Trade creditors	11,167	10,887	13,464	13,417
Accruals	20,060	18,860	12,827	12,448
Bank loans	-	-	29,250	29,250
Loan notes	86,000	86,000	-	-
Amounts owed to subsidiary companies	-	1,062	-	132
	117,227	116,809	55,541	55,247

Financial assets measured at fair value through profit and loss:

Derivatives	469	469	-	-
	469	469	-	-

Financial assets measured at fair value through other comprehensive income (AFS assets):

Non-current asset investments	11,487	11,487	12,125	12,125
	11,487	11,487	12,125	12,125

Financial instruments measured at fair value

Non-current asset investments

Non-current asset investments reflect endowment investments, which are invested in various corporate and government bonds. These investments are recognised at fair value, based on quoted market prices.

Embedded derivatives

The fair value of the embedded derivative, arising from the University's prepayment option in the loan notes (see note 20) is based on probability-based discounted cash flows. The discounted cash flows are calculated based on the contractual terms of the prepayment option set out in the loan notes, including any applicable make-whole payments. The exercise probabilities are based on a market-based options pricing model.

Notes to the Accounts

26. CONSOLIDATED RECONCILIATION OF NET DEBT

	2022
	£000
Net (cash)/debt 1 August 2021	(5,682)
Movement in cash and cash equivalents	42,149
Other non-cash changes	(27,548)
Net debt 31 July 2022	8,919
Change in net debt	14,601

Analysis of net debt:	2022	2021
	£'000	£'000
Cash and cash equivalents	77,081	34,932
Borrowings: amounts falling due within one year		
Unsecured loans	-	2,000
	-	2,000
Borrowings: amounts falling due after more than one year		
Unsecured loans	86,000	27,250
	86,000	27,250
Net debt	8,919	(5,682)

27. UNIVERSITY PENSION SCHEMES

	Employer's Pension costs for the year to 31 July 2022	Employer's Pension costs for the year to 31 July 2021	Pension liability as at 31 July 2022	Pension liability as at 31 July 2021	Actuarial gain as at 31 July 2022	Actuarial gain as at 31 July 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Universities Superannuation Scheme (USS)	12,237	12,358	65,573	27,102	n/a	n/a
University of Hull Pension and Assurance Scheme (UHPAS)	n/a	n/a	21,623	30,000	6,005	11,630
Aviva defined contribution scheme	923	889	n/a	n/a	n/a	n/a
North Yorkshire Pension scheme	56	55	-	802	2,754	2,373
NHS pension scheme	524	499	n/a	n/a	n/a	n/a
Teachers pension scheme	79	83	n/a	n/a	n/a	n/a
	13,819	13,884	87,196	57,904	8,759	14,003

There is no entitlement to take a pension surplus, and therefore the year end surplus of £2,084k on the North Yorkshire pension scheme has been restricted to nil.

Notes to the Accounts

(a) Universities Superannuation Scheme (“USS”)

The total cost charged to the SOCI is £12,236,720 (2021: £12,357,580).

Deficit recovery contributions due within one year are £3,787,323 (2021: £3,287,441).

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

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

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

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

CPI assumption
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% pa to 2030, reducing linearly by 0.1% pa to a long-term difference of 0.1% pa from 2040.

Pension increases (subject to a floor of 0%)
CPI assumption plus 0.05%.

Discount rate (forward rates)
Fixed interest gilt yield curve plus pre-retirement 2.75% pa, post-retirement 1.00% pa.

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

	2020 valuation
Mortality base table	101% of S2PMA “light” for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, and initial addition of 0.5% pa 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:	2022	2021
Males currently aged 65 years	24	25
Females currently aged 65 years	26	26
Males currently aged 45 years	26	27
Females currently aged 45 years	27	28

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

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	3%	3%

A pensionable salary growth assumption of 3% has been modelled. A 1% increase change to the inflation assumption would increase the provision by £0.6m.

Notes to the Accounts

(b) University of Hull Pension and Assurance Scheme (“UHPAS”)

The University operates a funded pension scheme providing benefits based on the final pensionable pay. The assets of the scheme are held separately from those of the University and are invested in a segregated fund.

The University operates a Salary Sacrifice Scheme for which members of this scheme could and do participate.

See (c) below for events following the closure of the Final Salary Defined Benefit scheme to new entrants.

The contributions to the final salary scheme are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The last declared actuarial valuation was carried out at 6 April 2021. The market value of the scheme assets as at the 2021 date, excluding additional voluntary contributions, was £120.9m. The value placed on the scheme liabilities was £160.8m, resulting in a shortfall of £39.9m. On this basis the scheme was funded at 75.2%.

The key assumptions are the rate of return assumed on the scheme’s investments and the rate of price inflation. The assumptions for the various pension increases payable by the scheme and the assumption for pensionable salary increases are all built up from the assumption for price inflation with pensionable salary increases assumed to be 0.5% p.a. above retail prices inflation. The valuation assumes that the scheme’s assets will be invested such that the scheme holds higher returning assets to fund members’ benefits up to the point of retirement, but that at the point of retirement the assets will be switched into bonds to fund the pension payments. The investment return assumed up to the point of retirement is 6.5% p.a. The assumed rate of return on bonds and the rate of price inflation are assumed to vary with the duration of each projected cash flow out of the scheme. The assumed rates of retail prices inflation applying in future years are assumed to be in line with the Bank of England inflation curve. The assumed rates of return on the scheme’s bond investments are assumed to be 1% p.a. above the Bank of England gilt yield curve.

(c) Aviva Defined Contribution Stakeholder Scheme

On the 31st December 2011, the University closed the Final Salary Defined Benefit scheme to new entrants and launched a new Defined Contribution Stakeholder scheme for new support staff on 1st January 2012. With effect from October 2017 the University changed to Aviva as the main support vehicle.

Employer contributions to the scheme during the year, including those staff members who participate in the Salary Sacrifice arrangement, totalled £923,164 (2021: £889,194).

(d) Other Pension Schemes

A small number of staff remain in other pension schemes. Employer contributions to such schemes totalled £659,045 during the year (2021: £636,945).

Notes to the Accounts

(e) (i) University of Hull Pension and Assurance Scheme

A full actuarial valuation of this scheme was carried out at 6 April 2021.

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

	2022	2021
Rate of increase in salaries	3.05%	3.10%
Rate of increase in pensions in payment	3.10%	3.10%
Discount rate	3.50%	1.70%
RPI Inflation assumption	3.05%	3.10%
CPI Inflation assumption	2.55%	2.60%

The CPI inflation assumption only applies to the pre-February 2005 deferred pension element which is linked to statutory increases under Scheme rules.

The most significant non-financial assumption is the assumed level of longevity:

Retiring today		
<i>Males</i>	22.2	22.1
<i>Females</i>	24.5	24.1
Retiring in 20 years		
<i>Males</i>	23.5	23.6
<i>Females</i>	26	25.6

In late 2020 the investment strategy of the scheme was reviewed and changed to become fully fiduciary. The assets in the scheme at 31 July were:

	2022	2021
	£’000	£’000
Global and emerging equities	22,028	25,293
Global fixed income	2,139	13,480
Multi asset credit	1,015	5,315
Absolute returns	29,386	38,951
Hedge funds	4,235	1,839
Property	6,501	2,025
Illiquid	5,463	1,339
Hedging	31,618	43,951
Cash/other	1,370	1,832
	103,755	134,025

Notes to the Accounts

The following amounts at 31 July each year were measured in accordance with the requirements of FRS102:

	2022	2021
	£'000	£'000
Total market value of assets	103,755	134,025
Present value of scheme liabilities	(125,378)	(164,025)
Deficit in the scheme	(21,623)	(30,000)
Current service cost	-	-
Past service cost	-	-
Total operating charge	-	-
Expected return on pension scheme assets	2,269	1,806
Interest on pension scheme liabilities	(2,753)	(2,399)
Net charge to other finance income	(484)	(593)
(Loss)/gain on assets	(31,177)	4,295
Gain/(loss) on liabilities	37,182	(7,335)
Changes in assumptions re present value of scheme liabilities	-	-
Actuarial gain /(loss)	6,005	(3,040)

History of experience gains and losses

Differences between the expected and actual return on scheme assets:

	2022	2021	2020	2019
Amount (£'000)	(31,177)	4,295	10,336	5,550
Percentage of scheme assets	(30%)	3%	8%	5%
Experience gains and losses on scheme liabilities:				
Amount (£'000)	37,182	(7,335)	(18,284)	(17,777)
Percentage of the present value of the scheme liabilities	(30%)	(4.5%)	11%	11%

Notes to the Accounts

Analysis of movement in deficit

	2022	2021
	£'000	£'000
Deficit in scheme at beginning of the year	(30,000)	(43,659)
Movement in the year:		
Current service cost	(293)	(481)
Contributions by employer	3,149	3,103
Past service costs	-	-
Other financial charges	(484)	(593)
Gain recognised as other comprehensive income	6,005	11,630
Deficit in scheme at end of year	(21,623)	(30,000)

Analysis of the movements in the present value of the scheme liabilities

	2022	2021
At beginning of the year	164,025	173,723
Current service cost	-	-
Interest on liabilities recorded within other comprehensive income	2,753	2,399
Contributions by employee	-	-
Past service costs	-	-
Pensions paid	(4,218)	(4,762)
Actuarial (gains)	(37,182)	(7,335)
At end of year	125,378	164,025

Analysis of the movements in the fair value of the scheme assets

	2022	2021
At beginning of the year	134,025	130,064
Expected return on assets	2,269	1,806
Total contributions	3,149	3,103
Pensions paid	(4,218)	(4,762)
Administration costs	(293)	(481)
Actuarial (loss)/gain	(31,177)	4,295
At end of year	103,755	134,025

(e) (ii) North Yorkshire Pension Fund (within “other pensions schemes” at (d) above)

The assumptions used in this scheme are different to those used in respect of the University of Hull Pension and Assurance Scheme because the University has no control over the assumptions adopted by the actuary to this scheme.

A full actuarial valuation of this scheme was carried out at 31 March 2019 and financial assumptions updated 31 July 2022 by a qualified actuary. The major assumptions used by the actuary were:

	2022	2021
Rate of increase in salaries	3.85%	3.85%
Rate of increase in pensions in payment	2.60%	2.60%
Discount rate	3.50%	1.70%
Inflation assumption RPI	3.20%	3.20%
Inflation assumption CPI	2.60%	2.60%

The most significant non-financial assumption is the assumed level of longevity:

Retiring today		
Males	21.8	21.9
Females	23.8	24
Retiring in 20 years		
Males	23.5	23.6
Females	25.7	25.8

Notes to the Accounts

The assets in the scheme were:

	2022	2021
	£'000	£'000
Equities	7,215	9,532
Bonds	2,907	2,261
Property/Cash/Other	3,858	4,015
	13,980	15,808

The following amounts at 31 July each year were measured in accordance with the requirements of FRS102:

Total market value of assets	13,980	15,808
Present value of scheme liabilities	(11,896)	(16,610)
Asset/(deficit) in the scheme	2,084	(802)

Current service cost	81	81
Past service cost	-	-
Total operating charge	81	81

Expected return on pension scheme assets	267	192
Interest on pension scheme liabilities	(279)	(236)
Net charge	(12)	(44)

(Loss)/gain on assets	(1,934)	2,058
Gain on liabilities	4,688	315
Changes in assumptions re present value of scheme liabilities	-	-
Actuarial gain	2,754	2,373

History of experience gains and losses

Differences between the expected and actual return on scheme assets:	2022	2021	2020	2019
Amount (£'000)	(1,934)	2,058	798	470
Percentage of scheme assets	(14%)	13%	5%	4%
Experience gains and losses on scheme liabilities:				
Amount (£'000)	4,688	315	(1,188)	(1,586)
Percentage of the present value of the scheme liabilities	(39.4%)	(1.9%)	7.2%	10.0%

Analysis of movement in deficit

	2022	2021
Deficit in scheme at beginning of the year	(802)	(3,246)
Movement in the year:		
Current service cost	(81)	(81)
Employer contributions	225	196
Past service costs	-	-
Other financial income	(12)	(44)
Gain recognised as other comprehensive income	3,080	2,373
Gain in scheme at end of year	2,410	(802)

Notes to the Accounts

Analysis of the movements in the present value of the scheme liabilities

	2022	2021
At beginning of the year	16,610	17,054
Current service cost	81	81
Interest on liabilities recorded within other comprehensive income	279	236
Employee contributions	11	10
Past service costs	-	-
Pensions paid	(397)	(456)
Actuarial gain	(4,688)	(315)
At end of year	11,896	16,610

Analysis of the movements in the fair value of the scheme assets

At beginning of the year	15,808	13,808
Expected return on assets	267	192
Total contributions	236	206
Pensions paid	(397)	(456)
Actuarial (loss)/gain	(1,934)	2,058
At end of year	13,980	15,808

(e) (iii) NHS pension scheme

The University also participates in the NHS pension scheme which is contracted out of the State Second Pension (S2P). The notional assets of the scheme are assessed by the Government Actuary and the benefits underwritten by the Government.

The scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1 April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permit individuals who on 1 April 2012 were within 10 years of normal pension age to continue participating in the old “final salary” NHS pension scheme arrangements (the 1995 and 2008 sections).

An HM Treasury pension scheme valuation for funding purposes was carried out as at March 2012. The Scheme Regulations have been changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The contribution rate payable by the University during the year ended 31 July 2022 was equal to 14.3% of the total pensionable in accordance with the conclusion of the Government Actuary’s report on the scheme.

28. DEPARTMENT FOR EDUCATION BURSARY FUND

	2022	2021
	£'000	£'000
Balance brought forward at 1 August	(61)	111
Grants	568	1,405
	507	1,516
Disbursed to students	(509)	(1,577)
Balance unspent at 31 July	(2)	(61)

Department of Education bursary funds are available solely for students: the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

Notes to the Accounts

29. RELATED PARTY DISCLOSURES

Details of investments are given in Note 14.

Due to the nature of the Institution's operations and the composition of the Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arms length and in accordance with the Institutions financial regulations and normal procurement procedures. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

The University of Hull Maritime History Trust Limited

The University of Hull Maritime History Trust Limited (excluding the International Journal of Maritime History) is a company limited by guarantee which has charitable status. It has been formed for the advancement of the education of the public by promotion of maritime historical studies at the University of Hull and the provision and facilitation of research in all aspects of maritime history. The Trust has seven trustees, of whom one is an employee of the University.

	Income	Expenditure	Balance due to the University	Balance due from the University
	£000	£000	£000	£000
The University of Hull Maritime History Trust Limited	18	(2)	-	16
The Ferens Education Trust	21	(82)	61	-
Hull University Students' Union	315	(914)	9	2
EMIH Limited	63	(63)	-	-
Kingston Chemicals Limited	-	(-)	-	-
Chemtrix Limited	8	(8)	-	-
	425	(1,069)	70	18

30. EXPENSE PAYMENTS TO TRUSTEES

In the context of the University as a charity, Trustees are taken as Council members representing the governing body of the University and comprise both University officers and lay members.

The total expenses paid to or on behalf of trustees was £0 due to meetings being online (2021: £0). This represents travel and subsistence expenses incurred in attending Council, meetings and events in their official capacity.

The Ferens Education Trust

The Ferens Education Trust is constituted by a deed of trust and is registered as a charitable body. It has been formed to promote the advancement of liberal, technical and professional education and knowledge in the East Riding of Yorkshire and to assist the University of Hull in the furtherance of the objects for which it was founded. The Trust has eight trustees, of whom five are employees of the University..

Hull University Students' Union

The Students Union is the official student's union for the University of Hull. The University provides a grant towards the running costs of the Students Union, as well as other payments regarding goods and services rendered. Income received from the Student Union is in respect of facilities recharges..

EMIH Limited

EMIH Limited has charitable status with a Board of eight directors, three of whom are nominees of the University. The University has links with the research and educational activity of EMIH Ltd at The Deep, in Hull.

Kingston Chemicals Limited

Kingston Chemicals Limited is a manufacturer of other organic basic chemicals. The University of Hull has a 21% shareholding in the company.

31. RESTATEMENT OF PRIOR YEAR

A single change has been recognised in the Statement of Comprehensive Income and Expenditure, as endowment investments are classified as 'available for sale' financial assets in accordance with IAS 39, with fair value movements recognised in other comprehensive income; whereas the fair value movements were recognised in the income statement in accordance with FRS 102. The impact of this change is as follows:

	2021 Consolidated			2021 University		
	As previously presented	Change in accounting policy	As restated	As previously presented	Change in accounting policy	As restated
	£000	£000	£000	£000	£000	£000
Surplus before other gains and losses	4,335	-	4,335	4,261	-	4,261
Gain on disposal of fixed assets	-	-	-	-	-	-
(Loss)/gain on investment property	(307)	-	(307)	(307)	-	(307)
Impairment of assets	(1,155)	-	(1,155)	(1,155)	-	(1,155)
Gain/(loss) on investments	522	(522)	-	522	(522)	-
Surplus before taxation and surplus for the year	3,395	(522)	2,873	3,321	(522)	2,799
Actuarial gain/(loss) in respect of pension schemes	14,003	-	14,003	14,003	-	14,003
Gain on investments	-	522	522	-	522	522
Total comprehensive income for the year	17,398	-	17,398	17,324	-	17,324



UNIVERSITY
OF HULL

hull.ac.uk



[uniofhull](#)



[universityofhull](#)



[universityofhull](#)