



UNIVERSITY
OF HULL

Annual Report and Statement of Accounts 2021

1 AUGUST 2020 TO 31 JULY 2021



TEAM GB



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Foreword

At the end of another unprecedented year, it is a pleasure to reflect on all that the University has accomplished over the previous twelve months. Always testament to the talent, creativity and hard work of our students and staff, their achievements this year, as the impact of the COVID-19 pandemic continued to unfold, are all the more remarkable and cause for celebration.

Even while interacting predominantly through our computer screens, the sense of community that is so much a part of what makes the University of Hull such a special place to study and work has shone through. In the face of the shifting challenges of the last year, the resilience, determination and camaraderie of our students has been inspiring. Equally, we have been humbled by the extraordinary commitment with which colleagues have worked tirelessly to protect the health and wellbeing of our students, ensuring that they continued to enjoy an excellent education and were able to maintain social connections in a safe and supportive environment. This collegial spirit has also been abundant in the way that colleagues have worked together with care and compassion to support one another throughout the pandemic.

COVID-19 has affected progress in reducing social and regional inequalities here in the UK and around the globe. Furthermore, as the COP26 summit reminded the world, the need to take steps to avert the worst impacts of climate change becomes increasingly urgent. The University’s enduring commitment to leading innovation and change with sustainability, social justice and inclusion at their core is, therefore, more relevant than ever – and it is this commitment that is at the heart of our vision and ambitious new Strategy 2030.

As the highlights presented in this Annual Report attest, the pandemic has not deflected the University in pursuit of its vision and mission. Strategy 2030 unites our talented people, our sense of place and our dynamic partnerships in building a future society that is both sustainable and fair. In tackling this global challenge, while underlying issues are often universal, locally based solutions informed by international expertise are essential. Through our education, research and knowledge exchange, the University is supporting businesses, communities and individuals to shape such solutions: from the development of a food poverty action plan for Hull to supporting local stakeholders deliver improved health services for adolescents in Nigeria; from engaging with young people from our region on the risks of single-use plastics to transforming the models used to predict flood risks around the world.

As we begin the new academic year, the degree of unpredictability and change that has characterised the higher education sector for much of the recent past continues unabated. The success of the University’s transformation programme to enhance our competitive performance, and our experience of responding to the unique challenges of the last two years, mean that the University is well placed to thrive amid this shifting landscape. Moreover, as the University begins the search for its next Vice-Chancellor to succeed Professor Lea when she steps down at the end of her five-year tenure in August 2022, our clear and focused Strategy and sustainable financial position are the foundations on which we will continue to build the University’s success, serving our communities and wider society through transforming lives and shaping a fairer, brighter and carbon neutral future.

George Garlick OBE
Chair of Council

Professor Susan Lea
Vice-Chancellor

Strategic Review

Our Strategy

Since our foundation in 1927 as a 'centre of light and culture' for Hull, the University has been proud to play a leading role in the education and development of our unique city and region. This strong sense of place remains at the heart of our identity. Drawing on the talent of our people and the vitality of our partnerships, we bring communities together to enrich lives, address the challenges facing our region and share solutions that are transferable across the world. This union between education, research and knowledge exchange, and between the local and the global, defines our internationally engaged civic university.

The University's new Strategy 2030 was finalised in December 2020, following two periods of engagement and consultation with our students and staff: first, in 2019, to refine the University's vision, values and behaviours, then during 2020 to agree our Strategy for the next ten years.

In an age of great uncertainty, Strategy 2030 sets out a clear and stable vision of our purpose.

Our vision

Motivated by society's challenges and inspired by the power of our global community, we are shaping a fairer, brighter and carbon neutral future

Injustices persist across many different areas of society: from the inhumanity of modern slavery to inequalities in education and health to regional disparities in employment opportunities and economic security. Meanwhile, the threats from climate change grow ever more urgent, requiring a rapid transition to clean growth and a low carbon future. Our Strategy recognises that these are intersecting challenges with no quick solutions. Working collaboratively across disciplines, we aim to lead creative change at the forefront of environmental sustainability and social justice. Our Strategy establishes this as our enduring and consistent objective through to 2030.

Focusing on our People, Partnerships and Place, Strategy 2030 sets out the qualities that will characterise our work and our University community over the coming decade and establishes a framework against which consistent decisions can be taken, resources can be prioritised, and coherent plans can be made. The quality and impact of our work is dependent on the University's own strength and resilience, so our Strategy is also underpinned by robust financial planning and operational effectiveness and efficiency.

Strategy 2030 sits at the centre of a broader landscape of supporting strategies and plans. Strategies addressing education, research, knowledge exchange and the international dimensions of our work steer the academic mission of the University. Other key supporting strategies focus on social justice and inclusion, sustainability and our carbon neutral pledge, our people and our estate. Rolling three-year academic and professional service plans drive the implementation and delivery of our Strategy.

Sustainable Development Goals

Our vision and the timeframe for our Strategy are closely aligned with the targets set by the UN Sustainable Development Goals (SDGs). Examples of the ways in which our education, research and knowledge exchange are contributing to the SDGs can be found throughout this Annual Report. We are also committed to ensuring that all of our students engage meaningfully with their role in shaping a fairer, brighter and carbon neutral future, using the SDGs as a common framework to aid understanding and inspire action.



Our 2030 Strategy

We are shaping a fairer, brighter and carbon neutral future.

Our mission

To advance education, scholarship, knowledge and understanding through teaching and research, for the benefit of individuals and society at large

Our values

In everything we do, we will be inclusive, empowering and progressive

Partnership

As an effective and dynamic partner of choice, we will work in strategic collaboration with others to deliver impact with mutual and wider benefit.



Resources

Our strategy is underpinned by robust financial sustainability and operational effectiveness and efficiency.



People

Our inclusive, supportive and responsible community will enable talented individuals to flourish.



Place

Our rich heritage as an institution rooted in our region and our strong international reputation will drive our work as a responsive, globally engaged civic university.



Our People

First and foremost, our University is about people. We are committed to fostering the talent and enthusiasm of both students and staff, and providing transformative experiences, skills and support for our entire community.

Our Teaching Excellence Academy (TEA) has been recognised for the vital training and support it has provided to the University community throughout the pandemic, supporting the transition to blended and online learning while at the same time moving their own provision online. Reflecting this outstanding contribution, the TEA was awarded the prestigious Collaborative Award for Teaching Excellence (CATE) by Advance HE. This award recognises and rewards the demonstrable impact on teaching and learning of the Academy's collaborative approach, including its leadership of innovations in digital learning, development of a tuition primer on delivering a high-quality and inclusive education during the pandemic, and online delivery of the University's annual Learning and Teaching conference. The Academy is now working to embed the lessons learned through the lockdown periods to build resilience into an excellent educational experience at the University.

Further adding to award celebrations, Dr Neil Gordon and Dr Dominic Henri are among this year's 55 new National Teaching Fellows, a scheme which recognises individuals who have had an outstanding impact on student outcomes and the teaching profession in higher education.

In confirming the re-accreditation of Hull University Business School this year, the Association of MBAs (AMBA) praised the commitment of academic and professional services staff to the success and wellbeing of our students, and commended the additional pedagogical and pastoral support provided to staff both before and during their time teaching on our MBA programmes.

Our University has taken great pride in the achievements of our students throughout this academic year, many of whom have done remarkable work under the difficult circumstances brought about by COVID-19. We are especially proud of those graduates who represent the first class to successfully complete the Paramedic Science degree, each of whom has since been offered a full-time role working as a paramedic. Launched three years ago, following engagement with the Yorkshire Ambulance Service, the programme responds to the needs of our region by addressing talent shortages and ensuring a sustainable pipeline of highly skilled healthcare professionals for the NHS. The degree continues to go from strength to strength, and September 2022 will see almost fifty new Paramedic Science students commence their studies.

As COVID-19 continued to dominate headlines throughout the year, Nicki Credland, Reader in Critical Care Education and Chair of the British Association of Critical Care Nurses, virologist Dr Cheryl Walter and chemist Professor Mark Lorch helped enrich public understanding of the pandemic, contributing interviews and regular Q&A articles on topics such as vaccines, variants and common myths and misconceptions. Collaborative research by the Hull York Medical

School (HYMS) published during 2021 revealed that palliative care in the UK has been undermined during the pandemic through lack of recognition as a frontline NHS service, leading Marie Cure to call for a long-term commitment to ensure that end of life care and bereavement support is sustainably funded. HYMS researchers have also contributed to a study which concluded that COVID-19 policies have had a disproportionate impact on the palliative care received by people from ethnic minority groups. The study identifies policy recommendations relevant to all healthcare settings and applicable internationally that seek to address inequities and ensure a favourable experience for all patients and their families.

The significant contribution that Hull alumni make across a wide range of fields is a constant source of pride and inspiration – and this year has proved no exception. Professor Dame Sarah Gilbert, who completed her PhD in Biochemistry at Hull, was appointed a Dame Commander of the Order of the British Empire in the 2021 Queen's Birthday Honours in recognition of her seminal work leading the development of the Oxford-AstraZeneca COVID-19 vaccine. Her success provides an illustration for all students who come to study at our University that the knowledge, skills and experience they gain here can make a profound difference on a global scale.

At the heart of our values is a commitment to ensure that the University of Hull is an inclusive environment where everyone is made to feel welcome, safe and empowered. This commitment is underpinned by the launch this year of our Social Justice and Inclusion Strategy. The

strategy outlines our pledge in several key areas, including the expectation that all members of the University will work together to foster a diverse and inclusive community – a community within which all our students and staff are supported to realise their potential as globally responsible citizens with the agency to shape a just and sustainable society.

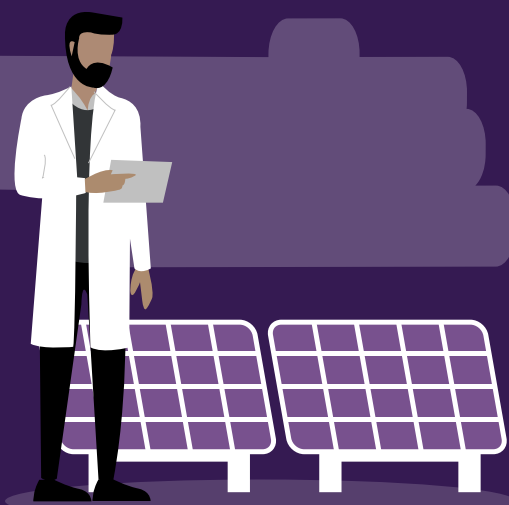
Marking Anti-Slavery Day in October, the Wilberforce Institute for the study of Slavery and Emancipation, in partnership with the Modern Slavery and Human Rights Policy and Evidence Centre, launched a series of innovative workshops designed to help front-line practitioners make an informed and coordinated response to modern slavery. Based on simulated realistic scenarios, the workshops are helping to train participants respond to the often complex individual cases of people affected by a wide range of forms of exploitation.

We are pleased to have the opportunity to work with people who are part of our wider community and share our vision for a fairer, brighter and carbon neutral future. Examples this year include our collaboration with the Supergen Offshore Renewable Energy Hub to recommend initiatives to improve equality, diversity and inclusion in the engineering sector and our work with fellow academics and the charity Geology for Global Development to provide the geoscience expertise necessary to deliver Kenya's Vision 2030 sustainability strategy.

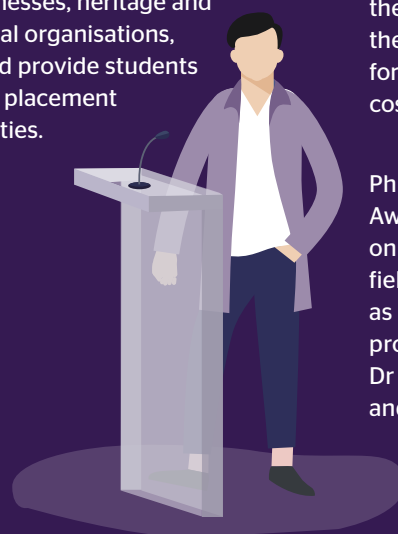
Ahead of the global COP26 climate summit, the University's experts in energy, environment and sustainability have shared their research and insight at a range of high-profile events, including the Waterline Summit showcasing the leading role of the Humber in low-carbon innovation and the Climate Expo international conference organised by the COP26 Universities Network and Italian University Network for Sustainable Development to provide a platform for world-leading climate change science and policy.

We are deeply aware that the profound challenges we face globally require a huge team effort drawing on our collective knowledge, expertise and resources. In partnership with policy makers, businesses and other stakeholders, we are making a valuable contribution towards wider ambitions to support the economy, protect our environment and make the world a better place.





Dr Nick Evans was named runner-up for the 2021 Royal Historical Society Jinty Nelson Award for Inspirational Teaching and Supervision. Dr Evans created and developed the Hull History Network in 2019, providing students with new opportunities to enhance their CV and their employability skills. Over the last two years, and throughout the COVID-19 pandemic, the Network has created links with local businesses, heritage and educational organisations, and helped provide students with work placement opportunities.



Celebrating our change-making colleagues

At the core of our mission lies our service to society. Our academics apply their knowledge and expertise to make a difference to businesses and communities locally and around the world, and many receive well-deserved recognition for the impact of their work. We highlight just some of these award-winning colleagues below.

This academic year, Professor Xudong Zhao, Director of the Centre for Sustainable Energy Technologies and Deputy Director of the Energy and Environment Institute, was elected as Fellow of the European Academy of Sciences in recognition of his international reputation in the areas of renewable energy and energy efficiency. Following recent work to develop a novel solar-powered system providing low-cost heating, power and hot water for rural homes in China (winner of a World Society of Sustainable Energy Technologies Innovation Award in 2018), current areas of focus for Professor Zhao's research include solutions which reduce the energy consumption of cooling systems used by computing and data centres, and low-carbon heating systems suitable for retrofitting to existing public buildings.

Professor Bernie Binks, Professor of Physical Chemistry, was awarded the prestigious 2022 Sir Eric Rideal Award by the Royal Society of Chemistry and Society of Chemical Industry Joint Colloids Group. This life-time achievement award recognises the distinguished contribution of Professor Binks to research in materials chemistry. Much of Professor Binks' research has intrinsic links with industry, providing the fundamental science underpinning the behaviour of many important formulations, such as those in food, cosmetics, pharmaceuticals and paint.



PhD student Dr Jazmin Scarlett was announced as recipient of the 2021 President's Award from the Geological Society of London. This award is conferred annually on early career geoscientists who have the potential to be future leaders in their fields. Dr Scarlett's research explored the impact of complex social issues such as colonialism, racism and slavery on indigenous communities living in close proximity to the La Soufrière volcano on the Caribbean island of St Vincent. Dr Scarlett is the first black woman to receive an award from the Geological Society and is a prominent voice for diversity and equality in science.

Our Partnerships

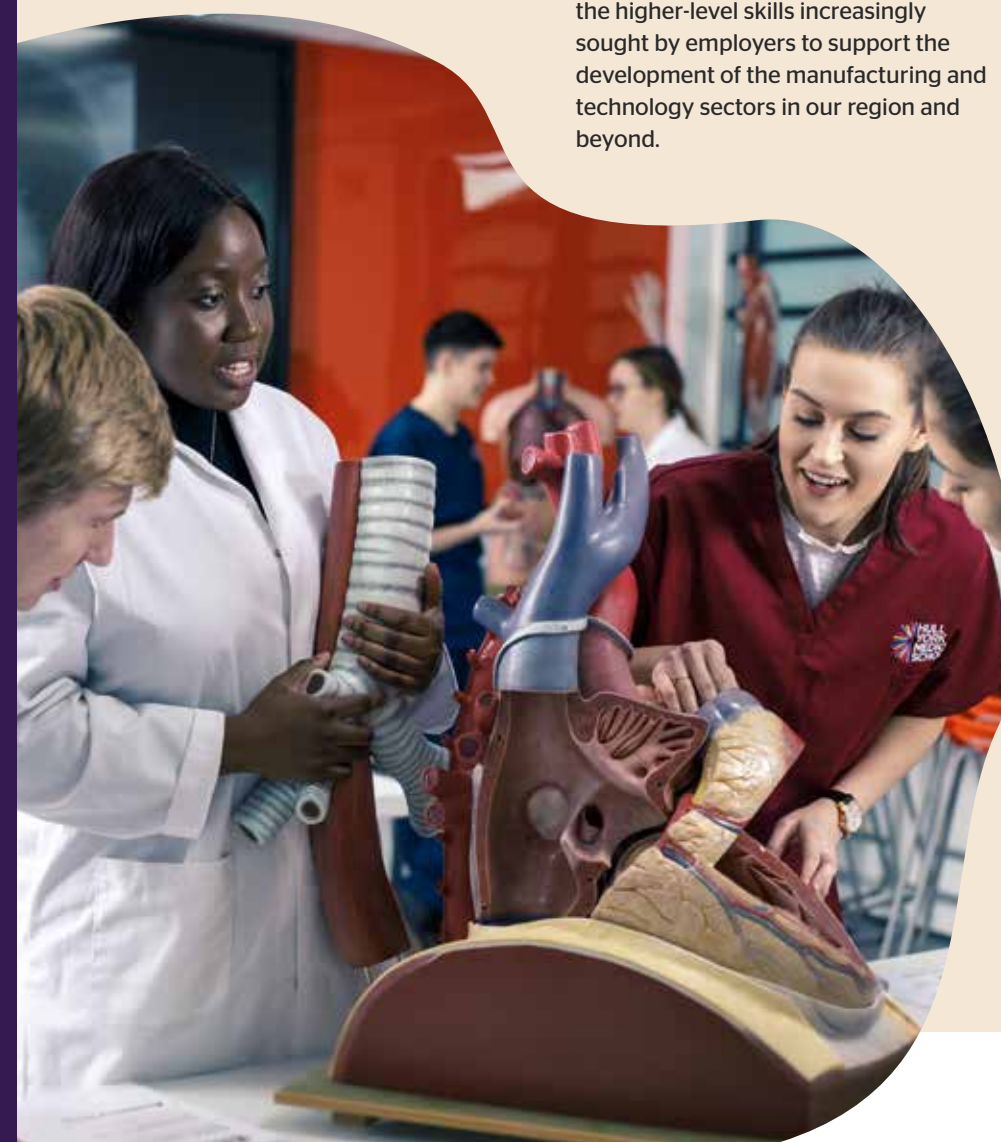
Collaboration is fundamental to the delivery of our academic mission. We work in partnership with our students as co-creators of their education. Our research spans discipline boundaries and brings communities together to tackle global challenges. We foster partnerships with industry and the public sector to address skills needs and to drive creativity, growth and innovation.

Partnerships help us to fulfil our commitment to widening fair access and participation, in particular among the less privileged communities within our region. Working with the Sutton Trust, the Hull York Medical School's Pathways to Medicine programme supports sixth-form students in the local area who are aspiring to study medicine at university. This year, the programme saw its largest-ever cohort, with 50 students from backgrounds that are typically underrepresented in higher education taking part.

Our new Emergent Technology Lab was launched in May. Funded through a £200,000 capital grant from the Department for Education, the state-of-the-art facility forms part of the Yorkshire and Humber Institute of Technology, in which the University is a partner. In addition to supporting University research and teaching, the Lab is available to students from all of the Institute's partner colleges, offering greater opportunities for people from diverse backgrounds to develop the higher-level skills increasingly sought by employers to support the development of the manufacturing and technology sectors in our region and beyond.

A new partnership with Compass Hospitality will fund fifteen business studies scholarships across three years. Each award provides over £4,000 to support students who require financial assistance with their studies and who have achieved a high standard of academic performance. The scholarship recipients will also have the opportunity to undertake paid work placements during their vacations, with further management training and career opportunities in the UK and abroad available after graduation.

Our partnership with Team GB provides numerous opportunities for students and staff across the University. Working with Team GB sprinter, Margaret Adeoye, we developed an innovative personal success plan which, through a focus on key themes of positivity, reflection, maximising opportunities, and health and wellbeing, is helping our students to achieve their personal goals and aspirations. A commissioned research project exploring the history of British Olympic Champions of the past sought to inspire the current crop of Team GB Olympians, connecting them to their athletic heritage and helping to create a strong sense of team identity and improve their performance. Ahead of the British team's departure for Tokyo this summer, we worked with our subsidiary company Lampada to create a 360 virtual environment which offered Team GB athletes the chance to familiarise themselves with key venues and learn how best to use these to support their wellbeing and performance. Watching Team GB excel in Tokyo this summer, we were proud to have supported the British Olympians in their preparation for the 2020 Games.





Research and innovation delivering high-impact solutions to the world's greatest challenges – from tackling climate change to improving health outcomes – can only be delivered by working in partnership, both within and beyond academia.

Our partnership with Lancaster University is advancing wave energy research to develop cutting-edge technologies that capture the huge renewable power of the oceans. The £1 million project is seeking to make energy machines more controllable and reliable, vastly improving their ability to capture energy and helping to ensure that they can survive in extreme ocean environments. Our Logistics Institute has worked with the global food company Kraft-Heinz to revolutionise the haulage of products from the Netherlands to the UK, improving the carbon efficiency of the journey and accelerating the potential for a net zero future.

Our contributions to shaping a sustainable future were recognised at the 2020 Humber Awards, with the Aura partnership winning the prize for Excellence in Renewables Skills and Training, and our ambitious commitment to sustainability celebrated by the judges. We are proud to lead this collaboration between academia, industry, NGOs, and national and local government as it continues to drive forward innovation in clean energy.

New generation, open source computer models which can predict future flood hazards across the globe are being developed by the £3.7 million EvoFlood research programme led by the University's Energy and Environment Institute, in collaboration with eight other UK universities and partners including the Environment Agency and Arup. Meanwhile, in our new Centre for Water Cultures, academics from the sciences, arts, humanities and health sciences are pioneering interdisciplinary research exploring humanity's relationship with water in coastal, estuarine and delta communities and the resilience of these communities to threats such as flood, water scarcity and unsafe water.

Clinicians at Hull York Medical School have worked with other universities to tackle the most common type of blood cancer, chronic lymphocytic leukaemia. The team has identified that there is a genetic tendency to develop progressive forms of the disease, providing an opportunity for early detection and, thereby, increased chance of survival. Building on our long-standing programme of perinatal mental health research, funding awarded this year by the East Yorkshire Clinical Commissioning Group (CCG) is supporting further collaborative research between the University

and the CCG, as well as the Humber Teaching NHS Foundation Trust and Hull University Teaching Hospitals NHS Trust, to ensure consistent, high-quality care for women with an extreme fear of childbirth.

The strength of our partnerships was validated in the inaugural Knowledge Exchange Framework, a new sector-wide assessment of how universities engage with external partners to contribute to the economy and society. Evaluating the University alongside other large, research-intensive and broad-discipline institutions undertaking a significant amount of world-leading research, the outcomes of the exercise highlighted the significant impact of many facets of our knowledge exchange, ranking the University within the top 30% for our research partnerships, our work with the public and third sector and our work in intellectual property and commercialisation.

We will not, though, rest on the laurels of these achievements, but continue to foster with local and international businesses, policy makers, charities and communities strategic partnerships which are founded on complementary strengths and shared values and which support the needs of our people, our place and the wider world.

Industry collaboration on virtual project brings real benefit

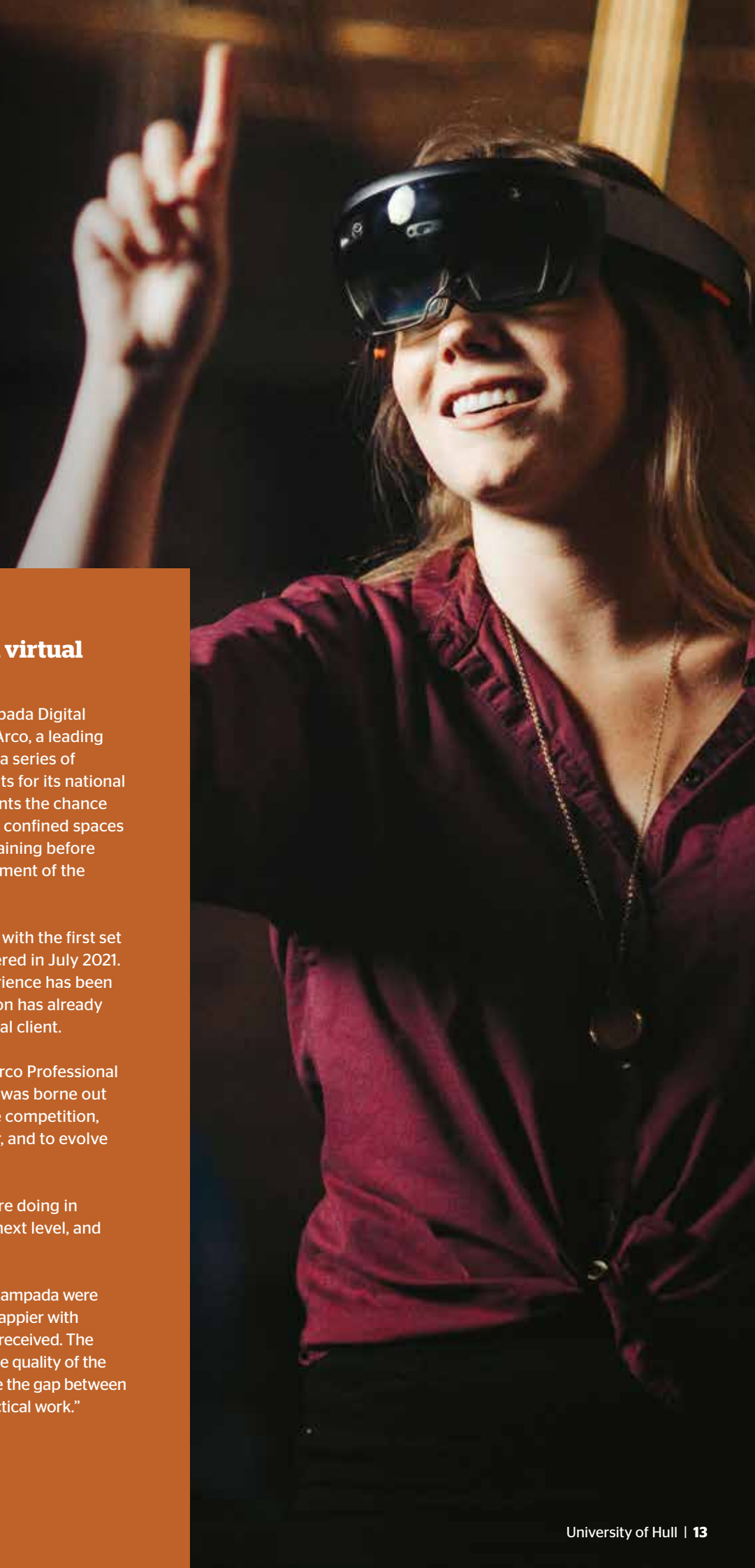
Through our subsidiary company, Lampada Digital Solutions, we have been working with Arco, a leading health and safety company, to develop a series of virtual reality (VR) training environments for its national clients. This technology gives participants the chance to experience working at height, and in confined spaces such as sewers, at an earlier stage of training before embarking on the real-life, practical element of the course.

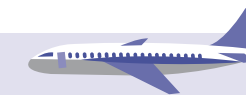
The project started in November 2020, with the first set of training using the VR software delivered in July 2021. Feedback on the new VR training experience has been extremely positive, and the collaboration has already helped Arco secure a major new national client.

Jamie Sadler, Commercial Director at Arco Professional Safety Services, said: "This partnership was borne out of a desire for Arco to stay ahead of the competition, maintain its position as a market leader, and to evolve the training that we can offer to clients.

"We often get asked at Arco what we are doing in innovation to take our business to the next level, and this is a perfect example.

"We put this contract out to tender, and Lampada were successful in their bid. We could not be happier with the partnership and the service we have received. The technology has enabled us to improve the quality of the training we can provide, and helps bridge the gap between the theory element and the physical practical work."





Our Place

Our University is rooted in a region rich in culture, diversity and innovation. We are proud of our strong sense of place and champion our region on the international stage. We have a profound awareness of our responsibilities in supporting both our local and global communities, and a clear mission to help tackle some of the most pressing issues and injustices facing our planet.

We have made a commitment to be a carbon neutral campus by our centenary anniversary in 2027 and have a low-carbon roadmap that is among the most ambitious among universities globally. The University has already reduced its carbon footprint significantly from its 1990 baseline, with a large proportion of that saving having been made in the last five years through key infrastructure projects such as the installation of rooftop solar panels and combined heat and power plants on campus. While there is much still to be achieved through our roadmap, we are delighted that our annual carbon output is currently well below the benchmark required to meet our 2027 target.

Sustainability forms a core element of our Strategy 2030 and, in addition to our own carbon neutral pledge, we are playing an integral role in positioning the Humber region as a leader in the global transition to a zero-carbon future.

Our Energy and Environment Institute was awarded the prestigious SKA Gold rating for sustainability in December. This accreditation, operated by the Royal Institution of Chartered Surveyors, recognises building refurbishments and fit-outs which have been completed with a truly green focus. It is understood that this is the first time a SKA Gold rating has been awarded to a building in Yorkshire.

A sustainable future will only be achieved through collaboration between people from across all areas of society, business and government. We have been working closely with our local community to shape a greener future for Hull. The Plastic Citizen project has inspired

more than 200 local young people to consider the dangers of single-use plastics, and the University led a project with Withernsea High School to help students produce a short film on the impacts of coastal erosion along the East Yorkshire coast. The film, titled *Insecure*, has been nominated in the Best Climate Emergency Film of the Year category by the Arts and Humanities Research Council's Research In Film Awards. In partnership with Hull City Council, we have created a full-scale low-carbon house to demonstrate the potential of new technology designed to decarbonise the heating of homes. This project is making valuable contributions to the wider commercialisation of this technology and has the potential to be rolled out to homes across Hull and beyond.

In March, two colleagues were appointed to roles on the Yorkshire and Humber Climate Commission, the largest regional climate commission in the UK. Sarah Clark, Operations Manager at Aura, was appointed as a Commissioner and Professor Dan Parsons, Director of the Energy and Environment Institute, was appointed to the Commission's Science Panel. Bringing together representatives from the private, public and civic sectors, the Commission is guiding climate action across our region, focusing on resilience and adaptation, rapid progress towards net zero, a just and inclusive transition, and the protection of nature and biodiversity.

Our region has felt the impact of flooding in recent times and climate change is set to make these events more frequent. In response to this, and as part of our commitment to drive sustainable change and tackle inequalities in our local area, the University is leading the Risky Cities

project to help communities become more flood resilient. Funded by the Arts and Humanities Research Council and UK Climate Resilience Programme, this £330,000 project brings together a multi-disciplinary team to apply innovative approaches in the arts and heritage to encourage residents to take action to better protect their homes from flooding. Further, a programme of free interactive workshops led by our Flood Innovation Centre this year brought together Humber-based SMEs with experts from the University and partners such as DEFRA and Yorkshire Water to build regional knowledge and expertise in natural flood management.

The University continues to offer strong support for business and innovation within our region. Vice-Chancellor Professor Susan Lea has been appointed as Chair of the Innovation and Transformation Board of the Hull and East Yorkshire Local Enterprise Partnership. The focus of the Board is to promote and share innovation within the business community, drawing on the academic and research strengths of the University and our region's colleges.

The University relaunched its legal Mediation Centre in March. The Centre offers mediation services to local businesses and individuals to solve civil law disputes, and provides real-world experience for our final year law students in fields including consumer, housing, employment and family law.

As businesses and organisations continue to navigate the impacts of COVID-19, our work supporting the local business community, through collaboration and innovation, is more important than ever. Our internships programme, which matches students and graduates with SMEs based in the Humber, and the academic, business and financial support offered by SparkFund, are among the initiatives helping to support the post-pandemic economic recovery of our region.

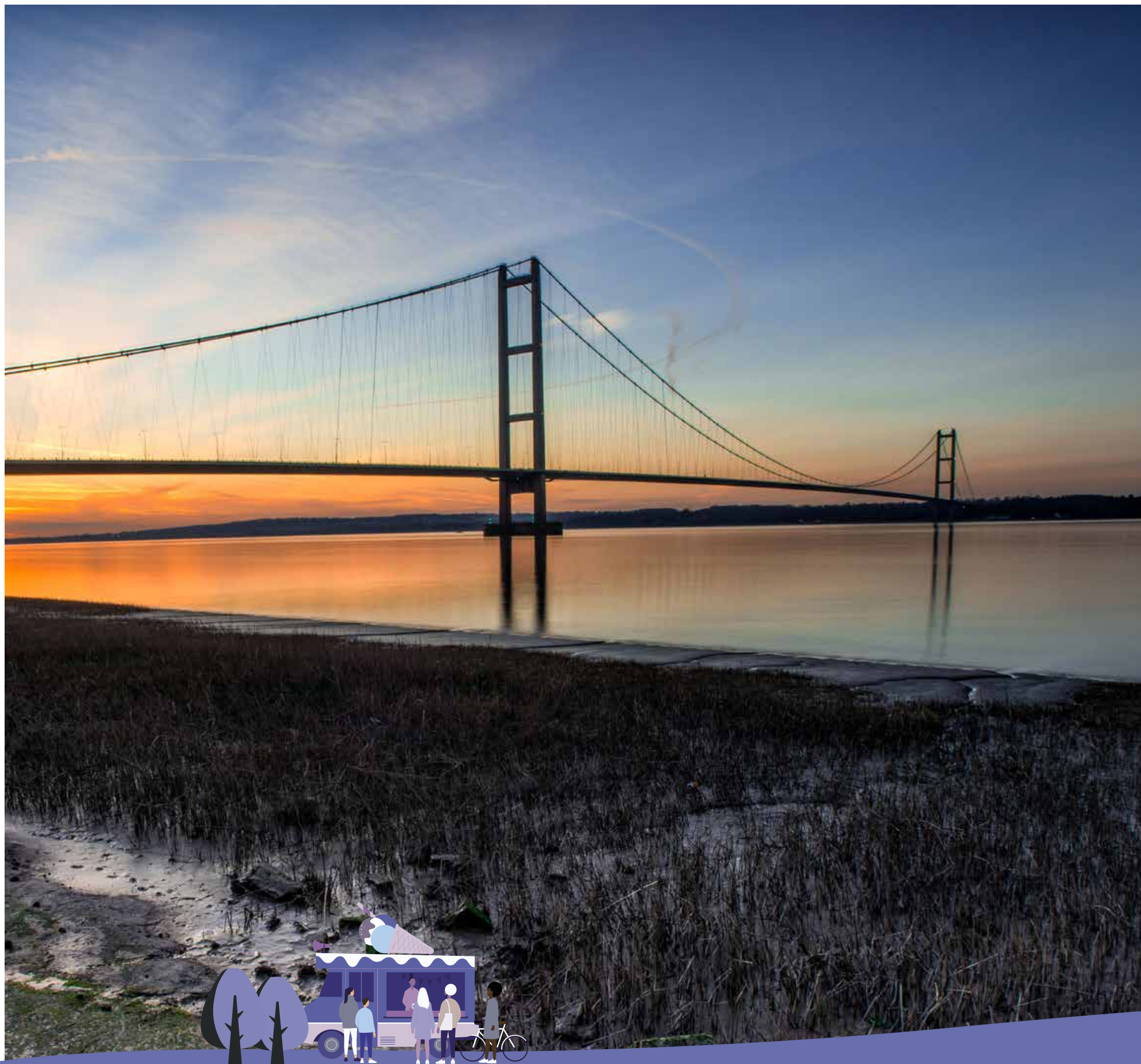
Responding to the impacts of the pandemic, the School of the Arts created the Arts in Isolation programme to explore the adaptations required to counter the challenges of creating art and other creative works from isolation. The programme has been engaging closely with local schools and artists, as well as local cultural organisations with a national outreach, to focus on three central themes: Performance in Isolation, Audience Engagement and Collaboration. Our Rewilding Reading project, which is led by the School of Education in collaboration with Hull Libraries, Child Dynamix and Youth in Nature, is using creative research methods such as shared story making, digital film and audio analysis to engage young people in Hull with literature and nature. Resources from the project will be shared across the city's primary and secondary schools to promote the connection between learning outdoors and reading.

Cutting-edge research from our University continues to play an important role in shining a light on the impacts of pollution on our communities, and we are proud to be providing insight which helps to support policy and decision making locally, nationally and internationally. Our landmark study into microplastics in the air in homes found that levels exceed those found in previous worldwide studies and pose potential health risks. A further study, building on the University's research into plastics and the environment, found that mussels, oysters and scallops have the highest levels of microplastic contamination among seafood, highlighting the need for further research to better understand the health implications for humans of consuming contaminated seafood.

Looking ahead to 2021/22 and beyond, the University is continuing to pursue exciting new projects that seek to understand and protect the world around us. These include research that will explore the impact and features of oxbow lakes along the Amazon River, funded by a prestigious Leverhulme Fellowship, and the latest project of our *Treated Spaces* collaborative research group, which brings together internationally renowned researchers with indigenous groups, museums, activists, artists, NGOs and policymakers around the world. The group has been awarded an Arts and Humanities Research Council grant worth nearly £1 million and, over a three and a half-year project, will examine historical relationships between the Crown and indigenous peoples to bring new understanding to contemporary debates on social and environmental justice in both American and transnational contexts.

We are making good progress towards our goals, but recognise that there is still much more to be done to deliver a fairer, brighter and carbon neutral future. By working collaboratively locally, nationally, and internationally, we are confident in this ambition for Hull and beyond.





Bringing together communities and researchers to tackle mental wellbeing challenges in Hull

The University is working with the Two Ridings Community Foundation and the Hull and East Riding Timebank to support the Ideas Fund, the brand new community grants programme launched by the British Science Association and the Wellcome Trust in 2021. Hull was one of just four areas eligible for funding under the first phase of the programme, which connects the public with researchers to develop place-based and community-driven projects to improve mental wellbeing. A particular aim of the Ideas Fund is to give a more active voice to those who may have been overlooked by research in the past, such as rural and minority ethnic communities, young people and those who are marginalised or socioeconomically disadvantaged.

Dr Gill Hughes, Lecturer in the School of Education and one of three Ideas Fund Development Coordinators for Hull, said: "It is really exciting for the University to be part of this programme, which is about doing things differently. It will enable community groups to determine the issues they see as pertinent and to work alongside researchers in developing new, or building on established, projects that will make a difference to the people who live in our communities and create an impact in the city."

Our researchers and the local Development Coordinators are working with the twelve Hull-based projects that received funding in the first round of the scheme, helping organisations such as the Hull Roundheads RUFC, a gay and inclusive rugby club; Bora Shabaa Refugee Community Organisation; the Butterflies Memory Loss Support Group; Rewilding Youth; and Fitmums and Friends to bring their innovative ideas to life. Participation in the Ideas Fund is having an impact within the University too, as we look to apply the scheme's ethos more widely within our approach to working in partnership with our communities.



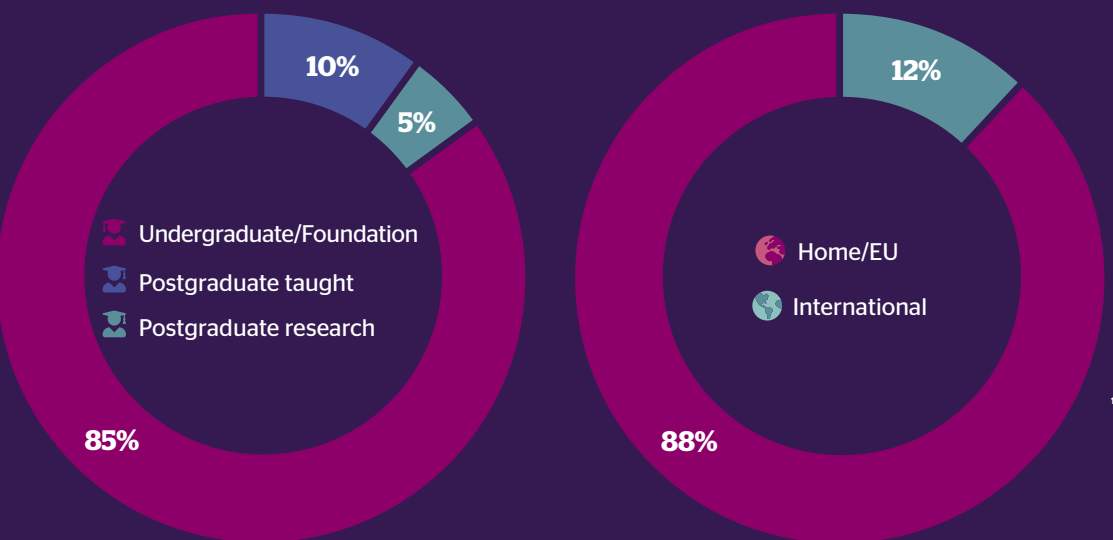
Our Performance

Student profile¹

Standard provision

Foundation, undergraduate, postgraduate taught and postgraduate research degrees

12,673



¹Student data:
Headcount as at 1 December 2020 census; standard provision excludes degree apprenticeships, distance taught, exchange programmes, short courses and collaborative or franchise provision delivered by partner institutions

Other provision

Degree apprenticeships, distance taught, exchange programmes and short courses

1,710

Collaborative provision

Validated or franchise provision at partner institutions

2,466

Student diversity²

19.5% students of Black, Asian and minority ethnic origin

17.5% students with a disability

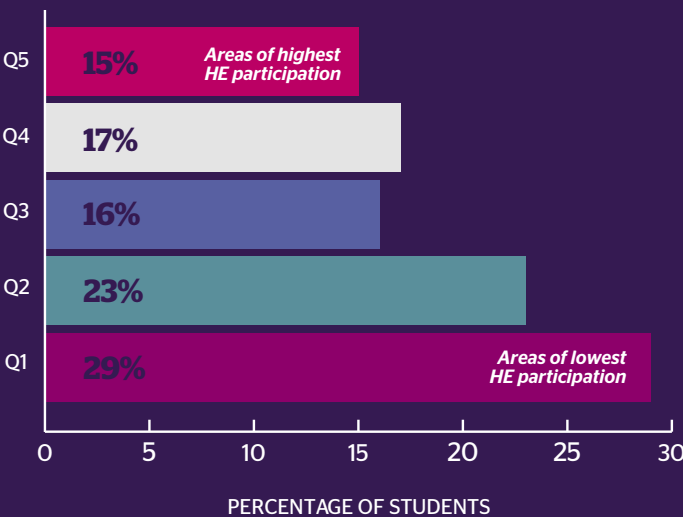
36.7% mature students (aged 21 or over)

42.2% Male

57.3% Female

0.4% Other

Participation of Local Areas (POLAR4) quintiles



²Student 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/EU 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 (KPIs) and associated targets which are aligned with the ambitions of Strategy 2030

77% of students are satisfied with the quality of their course

Student satisfaction scores across the sector have been affected by the COVID-19 pandemic during 2020/21. In common with most institutions, the University saw a decrease in its scores in the 2021 National Student Survey (NSS). At a sector level, a fall was seen across all scales, disrupting what had previously been a stable time series³

However, the University's scores on all scales exceeded our OfS benchmark and all but one exceeded the HEI sector average (with the exception, *Learning Community*, just -0.5% behind the average)

Our highest scores were for The teaching on my course (79.9%) and Learning opportunities (79.4%)

We achieved top quartile scores on Assessment and feedback and *Student voice*, both of which were also significantly above benchmark

↑ The University has continued its upward trajectory in the Times and Guardian league tables

Our improved performance over the last three years has seen the University rise by 53 places in the Guardian University Guide and by 51 places in the Times Good University Guide since 2019

Among the universities in the Yorkshire and Humber region, we are now ranked 4th by both the Times and the Guardian

The University has also risen by 11 places to be ranked 19th in the Times Social Inclusion Ranking for England and Wales

Although the University fell slightly in the Complete University Guide this year, our 2022 ranking remains 24 places above our position in 2019.

Times Good University Guide	52 (+8)
Guardian University Guide	53 (+19)
Complete University Guide	70 (-6)

81% of our students graduate with a First or Upper Second class degree

92% of our graduates are in work or further study 15 months after graduation, with 74% in high-skilled employment and/or graduate-level study⁴

Top 500 research

Our research in 14 disciplines is ranked among the top 500 in the world, with Nursing and Oceanography ranked in the top 150, Geography and Sports Science ranked in the top 200 and Earth Sciences, Law and Political Sciences ranked in the top 300⁵

Top 100 global impact

In the 2021 Times Higher Education Impact Rankings, a global ranking which assesses universities based on their contribution to the UN Sustainable Development Goals (SDGs), the University is ranked 201-300 (out of 1,115 institutions) overall and in the global top 100 for two SDGs, *Peace, Justice and Strong Institutions* (ranked 65) and *Life Below Water* (ranked 72)

We are also ranked in the top 200 for *Quality Education, Reduced Inequalities and Partnerships for the Goals* and in the top 300 for *Good Health and Wellbeing*

Research grants and contracts income in 2020/21 was **£11.4 million**, while income from our enterprise activity was **£1.9 million**

³ Office for Students insight brief, The National Student Survey: Student experience during the pandemic

⁴ Graduate Outcomes 2018/19

⁵ ShanghaiRanking Global Ranking of Academic Subjects 2021; the University's contribution to Sports Science features within the Hospitality and Tourism Management subject table

Principal risks and uncertainties

The University’s approach to, and application of, risk management in 2020/21 remained defined largely by the internal and external challenges it continues to address through its transformation programme and, latterly, by its response to the impact of COVID-19. In successfully applying its established strategic resilience planning framework, the University has been able to respond with agility to the pandemic, protecting the health, safety and wellbeing of its students and staff and facilitating business continuity. The fundamental impact of COVID-19 on the way the University operates in the short, medium and longer term will influence its future business model, strategic objectives and consequently the key business risks and opportunities.

During the course of 2020/21, the University finalised its Strategy 2030. The new Strategy expands on the University’s vision and articulates the qualities and ambitions that characterise the University’s work to enrich lives and lead creative change at the forefront of environmental sustainability and social justice. The Strategy positions the University as agile and responsive to the challenges and opportunities afforded by the external context and will inform the risk register. The Strategy focuses on People, Place and Partnerships and is underpinned by academic strategies and supporting strategies.

Current and anticipated challenges include, in addition to COVID-19, political uncertainty, 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, and the need to address the cyber security challenges which are manifest in an increasingly digital education and research environment.

The approach taken during 2020/21 and future plans to address the principal risks and uncertainties facing the University are set out below.

COVID-19

COVID-19 continues to present both short and medium term challenges. In the short term, 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 the institutional-level strategic framework, part of which addresses programme development for online learning. These responses have enabled the University to ensure that in 2020/21 it was able to recruit a sustainable level of students and to provide them with a high quality education and student experience. In the medium term the University will use its transformation programme to adapt its operational model to consolidate the economies and working advantages for staff and students which have been foregrounded during the COVID-19 pandemic.

Financial sustainability

As with recent previous years, the University continued to focus in 2020/21 on financial sustainability. Market data and insight and robust financial management underpin the University’s planning and decision-making around recruitment and business viability. Adapting to reflect the fluid demands of students, businesses, research partners and other stakeholders, while remaining safe, agile and able to respond to new opportunities, is critical in the context of future markets. The University has become increasingly focused on areas of strength which are supported by strong market demand and meet the needs of its region. This focus will affect investment and divestment decisions and the future capital programme. By the end of 2021/22 the University will operate in sustained surplus and will use these surpluses to generate headroom to re-capitalise the University. This re-capitalisation will involve investment in staff, facilities and infrastructure over the 10 years of Strategy 2030. Significant steps towards this have been taken in the current year and the University is developing ambitious plans to support its vision over the period to 2030, both in terms of academic programmes and student support as well as capital investment and sustainability.

Delivering the transformation programme

The University is pursuing a transformation programme with a clearly defined delivery structure and strong governance links to its Council. The purpose of the programme is to rebalance income and costs and to bring about significant improvements in operational performance. A substantial part of the cost rebalancing was undertaken over the last two years. Looking forward, the University will deliver the remaining cost adjustments and will drive through operational improvements which will generate future savings and provide staff and students with quality services which will allow them to concentrate on education and research. Delivery of the final phase of the programme is an important step towards re-investment in the University.

Political uncertainty

The external policy environment continues to present challenges to the higher education sector. Uncertainty remains about the outcomes of the government review of post-18 education and funding, 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, and the implications of Brexit. The University, particularly through its Vice-Chancellor, is actively engaged in national policy discussions and in maintaining productive relations with local and national politicians.

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 2021 was 26 (24.08 FTE). Of these, one employee spent 100% of their time working on facility time. One employee spent between 51% and 99%, 22 spent between 1% and 50% and two 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 0.20%. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 0%.

Pensions

The University participates in several pension schemes. During 2020/21 much of the focus has been on USS and the proposed responses of its Trustees to its large deficit. The University Council receives regular updates on pensions issues and, through its engagement with Trustees and national bodies, the University has continued to emphasise the imperative to balance future affordability with appropriate retirement benefits for its staff. The Finance and Investment Committee established a subgroup to consider in detail and approve the University’s responses to consultations on the USS proposals that took place during the academic year. While the latest USS Trustee proposal has received the support of employers it is not without cost implications for the University and the outcome of the forthcoming statutory consultation with members remains uncertain.

Cyber security

During 2020/21, the University has revised its approach to data governance, including security, to ensure that it has implemented best practice across the management of its IT assets and its data. It has re-established an Information Governance Committee to oversee the new Data Strategy and also provide a focus for issues related to cyber security and information governance.

Financial review

Scope of the Financial Statements

The Council of the University of Hull presents the financial results of the University for the year ended 31 July 2021. The financial statements comprise the consolidated results for the University and its subsidiary undertaking, Lampada Digital Solutions Ltd.

Financial Performance

Total income for the year was £186.5m (2020: £189.7m). Total expenditure for the year was £182.2m (2020: £178.1m). Pay costs before fundamental restructuring costs and including the impact of USS pension movements were £99.7m (2020: £88.1m). Operating expenses were £50.8m (2020: £50.2m).

Covid-19 in the financial year caused a reduction in income to the University of £8.1m. However, as a result of mitigating actions and Government support the net impact was a deficit of £5.6m. Overall, the impact of Covid-19 has caused a reduction in income of £13.4m and the net impact was a deficit of £4.1m

The University again accessed the Government’s Coronavirus Job Retention Scheme (CJRS), which provided £1.2m extra income (2020: £1.0m). Repayments of £6m relating to the HMRC time to pay scheme for deferred PAYE/NIC and VAT taken in the previous financial year were repaid by March 2021.

Net assets were £215.4m after accounting for pension provisions (2020: £198.0m).

The following tables show the University’s underlying financial performance and the Adjusted Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Adjusted Net Operating Cash flow (ANOC) for the last four years.

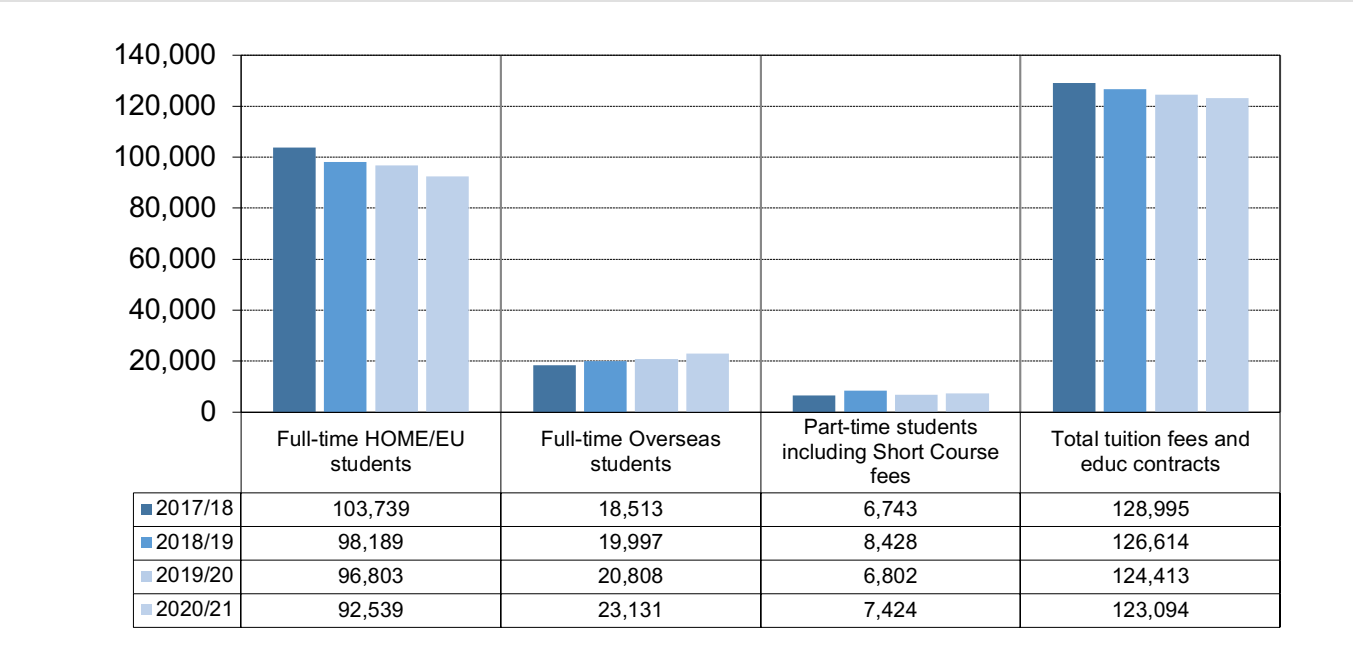
£m	2020/21	2019/20	2018/19	2017/18
Surplus/(deficit) before actuarial gain/(loss) in respect of pension schemes	3.3	12.2	(30.6)	5.9
Increase/(decrease) in USS pension provision	1.3	(16.9)	24.2	(1.3)
Fundamental restructuring staff costs	1.1	9.3	3.8	1.0
Impairment of assets	1.2	0	6.7	0.8
Underlying financial performance	6.9	4.6	4.1	6.4

£m	2020/21	2019/20	2018/19	2017/18
Adjusted EBITDA	34.7	32.0	16.3	20.3
Adjusted EBITDA as % of income	18.6%	16.9%	8.4%	10.4%
ANOC	23.9	15.7	2.3	18.3

EBITDA is a measure of operating performance, eliminating the effects of financing and accounting decisions to enable more meaningful comparison between organisations. This is then adjusted for revaluation gains/losses on endowment assets and pension provisions. ANOC is a measure of cash generation from normal business operations. ANOC is calculated by taking net cash flow from operating activities, plus investment income and new endowments, less interest payable.

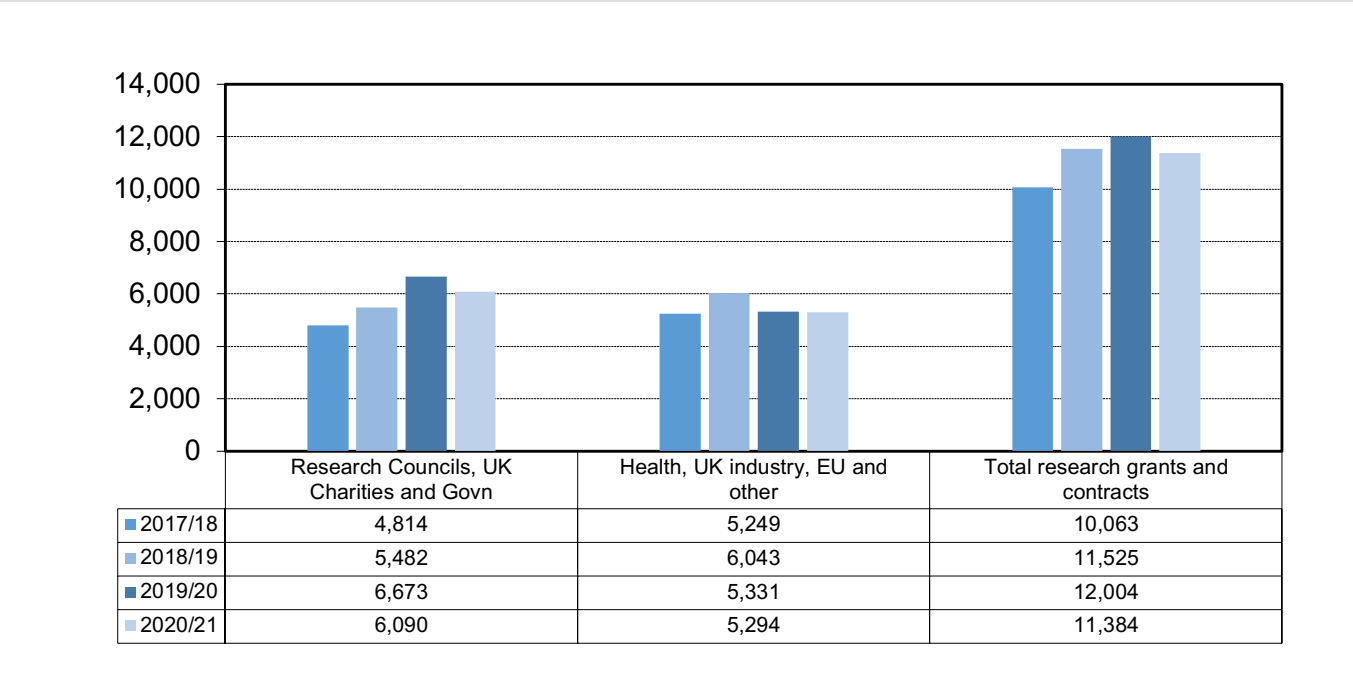
The following charts illustrate the University’s financial performance over the last four years:

Tuition fees and education contracts income over four years (£000)



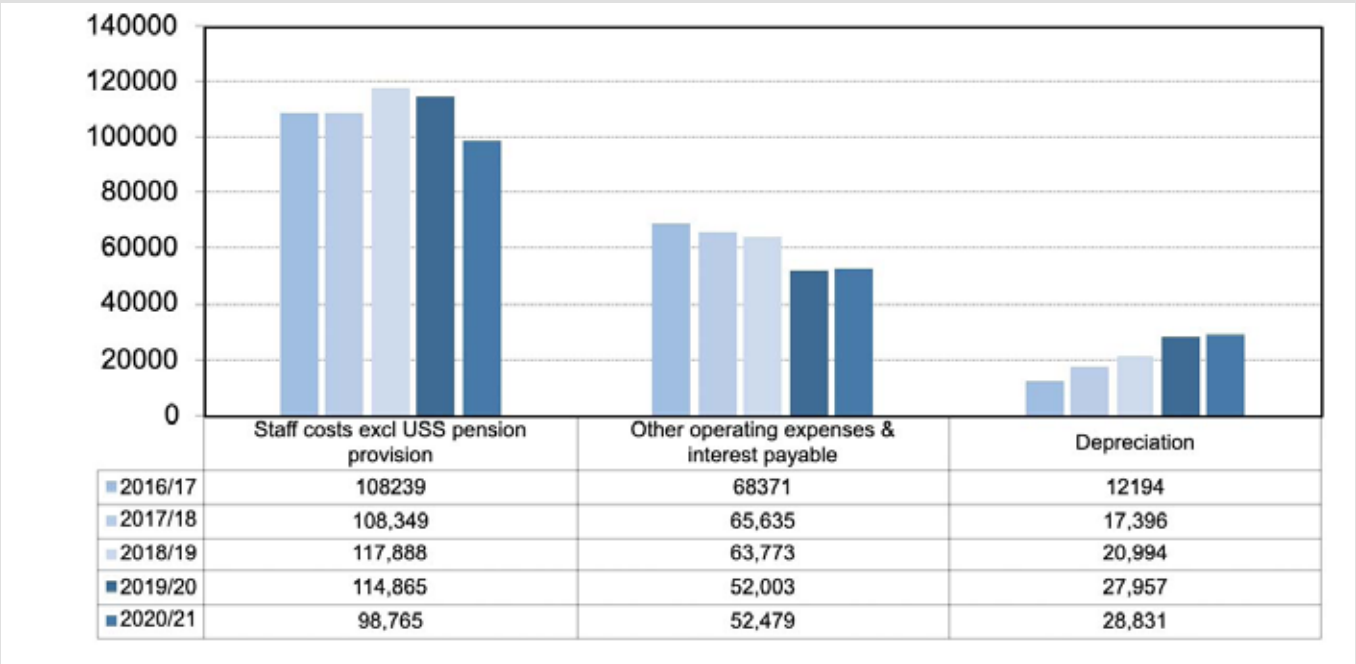
Income from full time overseas students rose by 11.2% and part-time students by 9.1%, but due to a reduction in full-time home/ EU students overall tuition fees have fallen by 1.1%.

Research grants and contracts income over four years (£000)



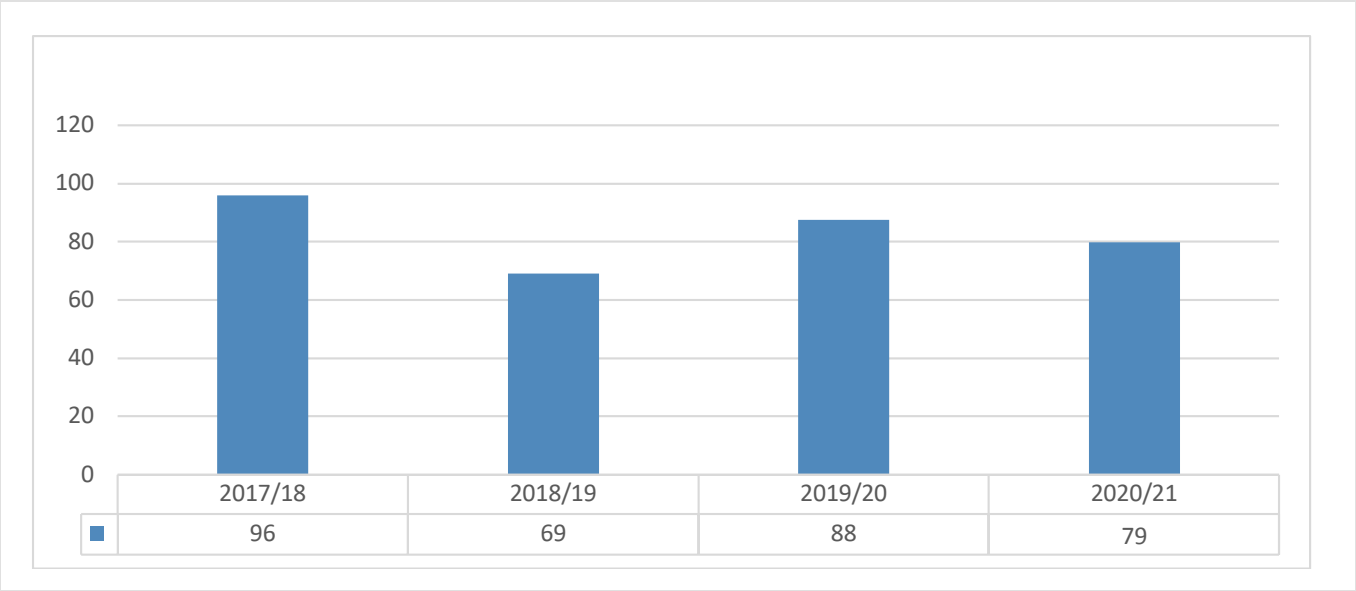
Research grants and contracts income has fallen by £620k, a 5% decrease from 2020. This is a decrease in funding from all sources, driven generally as a result of Covid-19.

Total expenditure over four years (£000)



Pay costs before fundamental restructuring costs and pension adjustments have decreased by 7.3% from 2020. Fundamental restructuring costs were £1.1m. Following the 11.3% reduction in 2020 due to mitigating actions taken during the Covid-19 pandemic, 2021 non pay costs remain 9% below 2019 levels. (2020: £9.3m). The provision in relation to the USS pension scheme increased by £1.1m in 2021.

Liquidity



Liquidity (days cover) measures the number of days the University could meet its immediate obligations with the cash and short term investments it holds.

In 2020 the University accessed a Government support scheme relating to Covid-19 in order to support liquidity, specifically the HMRC time to pay schemes for PAYE/NI and VAT. The £6m deferred as at 31 July 2020 was fully repaid by March 2021.

Cash Flow

The University generated £15.6m (2020: £6.8m) of cash from operating activities. Cash at bank and current asset investments totalled £34.6m (2020: £35.0m) at the year end.

Treasury Management

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 ongoing cash requirements are met and surpluses appropriately invested.

Pensions

- Pension liabilities have decreased to £57.9m (2020: decreased to £72.7m):
- £27.1m USS agreed deficit recovery plan (2020: £25.8m);
 - £30m University of Hull Pension and Assurance Scheme (UHPAS) (2020: £43.7m); and
 - £0.8m North Yorkshire Pension Fund (NYPF) (2020: £3.2m)

Going Concern

The challenges facing the University and the UK Higher Education sector are numerous and include, in addition to COVID-19, political uncertainty, the future funding of the pension schemes in which the University participates and the need to ensure that sufficient surplus revenues are generated to allow continued investment in talented staff, in physical plant and in infrastructure.

Over the last two years, we have been pursuing an ambitious programme of transformation to enhance the University’s competitive performance and assure a financially sustainable position. The successful progress of the transformation programme enables the University to mitigate the most significant financial and operational challenges presented by the pandemic. In addition to this, we have also evidenced sustained increases in league table position and further improvements in NSS outcomes during 2020/21.

The University has prepared a five year business plan, approved by Council, which includes a detailed budget and forecasts to July 2026. The first two years of these plans have been used as a base case scenario to stress test with a range of risk scenarios against our cashflows and our banking covenants to support the going concern assertions. These include:

- potential future impacts of Covid-19 including periods of lockdown,
- cyber-attacks,
- implementation of Augar recommendations,
- increased attrition, and
- student recruitment targets not being met.

A worst case scenario has also been produced to fully inform the sensitivity of the analyses although this is considered to be highly unlikely.

Mitigating actions of cost reductions sufficient to provide adequate cover to our cashflows and banking covenants were identified in our analysis. In addition, and in support of the going concern assertions the University has extended its existing revolving credit facility to January 2023.

Robust governance has been maintained throughout to regularly monitor progress against the plan and will continue to do so going forward especially in such uncertain times. Taking account of the analyses of sensitivities of the financial projections, the extension of its revolving credit facility, the continued work on its strategic transformation programme, the University’s ability to pay its debts as they fall due and to meet its ongoing financial covenants for the foreseeable future (being a period to the end of July 2023), the Council confirms that it is appropriate that these financial statements are prepared on a Going Concern basis.

Corporate governance statement

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 compliant with the Code.. The University appointed a new University Secretary and Chief Compliance Officer in February 2021 to lead on this area, and has developed a Governance Action Plan, which is subject to regular review.

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 the 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 2020 and 31 July 2021:

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	Professor Susan Lea
Chief Operating Officer	John Duffy
A Pro-Vice-Chancellor	Professor Philip Gilmartin
Senate (appointed member)	Professor Mark Lorch
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, Professor Susan Lea, 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.

Council Committees

The Council normally meets five times each academic year, and much of its detailed work is delegated to committees; in particular during 2020/21, the Finance and Investment Committee (chaired by Vanessa Lee), the Remuneration Committee (chaired by Ursula Lidbetter), the Audit Committee (chaired by Rosalyn Schofield) and the Transformation Sub-Committee (chaired by George Garlick). 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. It is anticipated that some meetings will return to taking place in person during 2021/22.



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 **Audit 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 a Vice-Chancellor 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.

The **Transformation Sub-Committee** is a Sub-Committee of Council (chaired by the Chair of Council). The Sub-Committee meets monthly to oversee the University’s transformation programme which commenced in 2018/19.

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 Committee.

The University maintains a Register of Interests of Members of the Council and Senior Officers, which may be consulted by arrangement with the Governance Office. The University also carries out regular checks to ensure 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 new versions in July 2021. The Audit Committee monitors the risk management process. See also Principal risks and uncertainties (page 20).

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 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 20).

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 Committee. The annual report presents an independent opinion on the adequacy and effectiveness of the institution’s system of internal control.

The Audit Committee produces an annual report to Council which 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.

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 the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition) and in accordance with Financial Reporting Standards (FRS 102). 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 FRS 102 transition one off valuation to deemed cost of certain fixed assets). The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cashflow statement for the University only in its separate financial statements.

2. Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertaking, Lampada Digital Solutions Ltd. Intra-group transactions are eliminated on consolidation.

3. Going concern

The financial statements are prepared on a going concern basis, with forecasts approved by the University Council and as per the Strategic and Financial Review (SFR), 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 considered in both the SFR and the Financial Statements and accompanying notes.

Taking account of analyses of sensitivities of the financial projections, the strategic transformation programme, the University's ability to pay its debts as they fall due and to meet its ongoing financial covenants, the Council confirms that it is appropriate that these accounts are prepared on a going concern basis.

4. 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 restrictions are 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 (SOCI) over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for as gross expenditure and not deducted from income.

(v) Investment income

Investment income is credited to the SOCI 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 SOCI when the goods or services are supplied to the external customers or when the terms of the contract have been satisfied.

5. Pensions

The two principal 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. A small number of staff remain in other pension schemes.

(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 SOCI 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 SOCI.

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 to the financial statements.

6. 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 SOCI 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.

Fixed assets held under service concession arrangements are recognised on the Statement of Financial Position at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

7. 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.

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.

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).

8. 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.

9. 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.

10. Maintenance of premises

The cost of routine maintenance is charged to the SOCI in the period that it is incurred.

11. 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.

12. 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 SOCI.

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.

13. Stocks

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

14. 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.

15. 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.

16. 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.

17. 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 SOCI.

18. Financial instruments

A financial instrument is defined as a contract that gives rise to a financial asset in one entity and a financial liability in another entity. For the University this includes trade debtors and creditors, bank balances and bank loans.

Financial instruments have to be categorised as “basic” or “non-basic”, with basic instruments being accounted for at amortised cost and non-basic at fair value. All of the University’s financial instruments are classified as basic.

19. Reserves

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

20. Significant judgements and estimates

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

(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) Limited for the provision of student accommodation. A one year nominations agreement is made between the University and UPP (Hull) Limited 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.

(ii) Pensions

FRS102 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 the 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 SOCI in accordance with section 28 of FRS102. 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.

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 2021, 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and the parent university’s affairs as at 31 July 2021 and of the group’s and the parent university’s income and expenditure, gains and losses, changes in reserves and of the group’s cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Council’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s and the parent university’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent university to cease to continue as a going concern.

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

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

In auditing the financial statements, we have concluded that the Council’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. The responsibilities of the Council with respect to going concern are described in the ‘Responsibilities of the Council for the financial statements’ section of this report.

Other information

The Council are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 29, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:
- the parent university’s grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the parent university’s expenditure on access and participation activities for the financial year, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council set out on page 28, the Council is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. 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.
- From the procedures performed we did not identify any material matters relating to non-compliance with laws and regulations or matters in relation to fraud.

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



Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2021

		2021		2020 (restated)	
		Consolidated	University	Consolidated	University
	NOTE	£'000	£'000	£'000	£'000
Income					
Tuition Fees and Education Contracts	1	123,094	123,094	124,413	124,413
Funding Body Grants	2	25,466	25,466	25,590	25,590
Research Grants and Contracts	3	11,384	11,384	12,004	12,004
Other Income	4	25,451	24,361	26,647	25,965
Investment Income	5	519	530	487	498
Total income before endowments and donations		185,914	184,835	189,141	188,470
Donations and endowments	6	629	629	540	540
Total income		186,543	185,464	189,681	189,010
Expenditure					
Staff Costs	7	99,701	98,752	88,104	87,957
Fundamental restructuring costs	7	1,141	1,141	9,347	9,347
Other Operating Expenses	9	50,852	50,806	50,246	49,615
Depreciation	9	28,841	28,831	27,972	27,957
Interest Payable	8	1,673	1,673	2,388	2,388
Total expenditure		182,208	181,203	178,057	177,264
Surplus before other gains and losses		4,335	4,261	11,624	11,746
Gain on disposal of fixed assets		-	-	135	135
(Loss)/gain on investment property		(307)	(307)	952	952
Impairment of assets		(1,155)	(1,155)	-	-
Gain/(loss) on investments		522	522	(646)	(646)
Surplus before taxation		3,395	3,321	12,065	12,187
Taxation		-	-	-	-
Surplus for the year		3,395	3,321	12,065	12,187
Actuarial gain/(loss) in respect of pension schemes		14,003	14,003	(8,338)	(8,338)
Total comprehensive income for the year		17,398	17,324	3,727	3,849
Represented by:					
Endowment comprehensive income/(expense) for the year	21	1,194	1,194	(593)	(593)
Restricted comprehensive income for the year		-	-	-	-
Unrestricted comprehensive income for the year		16,204	16,130	4,320	4,442
		17,398	17,324	3,727	3,849

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 2021

Consolidated	Income and expenditure account			Total
	Endowment	Restricted	Unrestricted	
	£'000	£'000	£'000	£'000
Balance at 31 July 2019	15,169	-	179,073	194,242
(Deficit)/surplus from the income and expenditure statement	(593)	-	12,658	12,065
Other comprehensive (expense)	-	-	(8,338)	(8,338)
Total comprehensive (expense)/income for the year	(593)	-	4,320	3,727
Balance at 31 July 2020	14,576	-	183,393	197,969
Surplus from the income and expenditure statement	1,194	-	2,201	3,395
Other comprehensive income	-	-	14,003	14,003
Total comprehensive income for the year	1,194	-	16,204	17,398
Balance at 31 July 2021	15,770	-	199,597	215,367
University	Income and expenditure account			Total
	Endowment	Restricted	Unrestricted	
	£'000	£'000	£'000	£'000
Balance at 31 July 2019	15,169	-	179,624	194,793
(Deficit)/surplus from the income and expenditure statement	(593)	-	12,780	12,187
Other comprehensive (expense)	-	-	(8,338)	(8,338)
Total comprehensive (expense)/income for the year	(593)	-	4,442	3,849
Balance at 31 July 2020	14,576	-	184,066	198,642
Surplus from the income and expenditure statement	1,194	-	2,127	3,321
Other comprehensive income	-	-	14,003	14,003
Total comprehensive income for the year	1,194	-	16,130	17,324
Balance at 31 July 2021	15,770	-	200,196	215,966

Balance Sheet as at 31 July 2021

Balance Sheet as at 31 July 2021

		2021		2020 (restated)	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
NON CURRENT ASSETS					
Intangible assets	10	11,395	11,395	13,156	13,156
Fixed assets	11	296,864	297,051	312,700	312,879
Investment property	12	4,325	4,325	4,225	4,225
Investments	13	15,161	15,161	14,011	14,011
		327,745	327,932	344,092	344,271
CURRENT ASSETS					
Properties for sale	14	4,649	4,649	2,186	2,186
Stocks		22	22	30	30
Trade and other receivables	15	26,502	26,967	24,400	24,836
Investments	16	7,100	7,100	-	-
Cash and cash equivalents	17	34,932	34,559	35,402	35,020
		73,205	73,297	62,018	62,072
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	18	(52,760)	(52,440)	(55,320)	(54,880)
NET CURRENT ASSETS		20,445	20,857	6,698	7,192
TOTAL ASSETS LESS CURRENT LIABILITIES		348,190	348,789	350,790	351,463
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	19	(73,708)	(73,708)	(78,129)	(78,129)
PROVISIONS					
Pension provisions	20	(57,904)	(57,904)	(72,690)	(72,690)
Other provisions	20	(1,211)	(1,211)	(2,002)	(2,002)
TOTAL NET ASSETS		215,367	215,966	197,969	198,642
Restricted reserves					
I&E reserve - endowment reserve	21	15,770	15,770	14,576	14,576
I&E reserve - restricted reserve		-	-	-	-
Unrestricted reserves					
I&E reserve - unrestricted		199,597	200,196	183,393	184,066
		215,367	215,966	197,969	198,642

The financial statements were approved by the University Council on 9 December 2021, and signed on its behalf by:

George Garlick OBE (Chair of Council)

Professor Susan Lea (Vice-Chancellor)

Consolidated Cash Flow for the year ended 31 July 2021

	2021 £'000	2020 (restated) £'000
Cash flow from operating activities		
Surplus for the year	3,395	12,065
Adjustment for non-cash items		
Depreciation	26,619	25,955
Amortisation of intangibles	2,222	2,017
(Gain)/loss on endowment investments	(1,150)	583
Loss/(gain) on investment property	307	(952)
Decrease in stock	8	13
(Increase) in debtors	(2,102)	(2,411)
(Decrease)/increase in creditors	(1,462)	755
(Decrease) in pension provision	(14,786)	(10,478)
Actuarial gain/(loss) in respect of pension schemes	14,003	(8,338)
(Decrease)/increase in other provisions	(791)	654
Expenditure on capital WIP written off	837	-
Impairment of assets	1,155	-
Adjustment for investing or financing activities		
Investment income	(519)	(498)
Interest payable	848	897
Endowment income	(6)	(27)
(Profit) on the sale of fixed & current assets	-	(135)
Loss on disposal of non-current asset investments	-	50
Capital grant income	(4,205)	(4,035)
Net cash inflow from operating activities	24,373	16,115
Cash flows from investing activities		
Proceeds from sales of fixed and current assets	-	135
Proceeds from sales of non-current investments	-	37
Capital grants receipts	2,186	3,306
(Increase)/decrease in deposits	(7,100)	24,050
Investment income	519	498
Payments made to acquire fixed assets	(17,088)	(18,919)
Payments made to acquire intangible assets	(461)	(1,437)
	(21,944)	7,670
Cash flows from financing activities		
Interest paid	(848)	(897)
Endowment cash received	6	27
Repayments of amounts borrowed	(2,057)	(2,113)
	(2,899)	(2,983)
(Decrease)/increase in cash and cash equivalents in the year	(470)	20,802
Cash and cash equivalents at beginning of the year	35,402	14,600
Cash and cash equivalents at end of the year	34,932	35,402

Notes to the Accounts

1. TUITION FEES AND EDUCATION CONTRACTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	92,539	92,539	96,803	96,803
Full-time international students	23,131	23,131	20,808	20,808
Part-time students	4,112	4,112	4,053	4,053
Research Training Support Grants	510	510	525	525
Short course fees	2,802	2,802	2,224	2,224
	123,094	123,094	124,413	124,413

2. FUNDING BODY GRANTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant				
Office for Students (OfS)	10,308	10,308	10,078	10,078
Research England (RE)	8,014	8,014	8,302	8,302
Capital grant - Office for Students	2,282	2,282	2,351	2,351
Capital grant - Research England	826	826	980	980
Specific grants				
OfS-National Collaborative Outreach Programme	1,363	1,363	1,587	1,587
RE-Higher Education Innovation Fund	1,426	1,426	1,371	1,371
RE-THYME	221	221	537	537
RE-Global Challenge Research Fund	480	480	147	147
RE-Other	518	518	201	201
Department of Education	28	28	36	36
	25,466	25,466	25,590	25,590

Income from capital grants includes £3,108k (2020: £3,331k) in respect of capital grants released in the year.
Where grant performance milestones have not yet been met the funds are held as grant in advance in the University Balance Sheet.

3. RESEARCH GRANTS AND CONTRACTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research Councils	2,879	2,879	3,357	3,357
UK charities	1,736	1,736	1,973	1,973
UK central government	1,475	1,475	1,343	1,343
Local authorities	133	133	149	149
Health & hospitals	1,086	1,086	1,031	1,031
UK industry	1,173	1,173	857	857
EU	2,186	2,186	2,680	2,680
Overseas and other sources	716	716	614	614
	11,384	11,384	12,004	12,004

Notes to the Accounts

4. OTHER INCOME

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, Catering and Conferences	8,906	8,906	10,830	10,830
Other services rendered	4,497	4,497	4,081	4,081
Health authorities	2,942	2,942	3,204	3,204
Released from deferred capital grants	882	882	337	337
Rents receivable and Facilities income	1,219	1,219	1,605	1,605
ERASMUS grants	25	25	120	120
Other Government grants (Coronavirus Job Retention Scheme)	1,176	1,077	1,048	1,031
Other revenue grant and departmental income	2,748	2,748	2,581	2,581
Other income	3,056	2,065	2,841	2,176
	25,451	24,361	26,647	25,965

5. INVESTMENT INCOME

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment income on endowments	229	229	234	234
Interest on inter-company loan	-	11	-	11
Other investment income	290	290	253	253
	519	530	487	498

6. DONATIONS AND ENDOWMENTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
New endowments	6	6	27	27
Unrestricted donations	623	623	513	513
	629	629	540	540

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

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
OfS	13,953	13,953	14,016	14,016
Other bodies	11,513	11,513	11,574	11,574
Research awards	11,384	11,384	12,004	12,004
Non-qualifying	3,312	3,312	2,749	2,749
Taught	119,782	119,782	121,664	121,664
Total	159,944	159,944	162,007	162,007

Notes to the Accounts

7. STAFF

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Staff Costs:				
Wages & Salaries	74,710	73,852	76,515	76,438
Social Security Costs	7,421	7,345	8,246	8,187
Movement on USS provision	1,128	1,128	(17,561)	(17,561)
Other Pension Costs	19,179	19,164	23,650	23,639
Other pension adjustments	(2,737)	(2,737)	(2,746)	(2,746)
	99,701	98,752	88,104	87,957
Fundamental restructuring costs (2021: 62 individuals; 2020: 411 individuals)	1,141	1,141	9,347	9,347
	100,842	99,893	97,451	97,304

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 (2021: £5,281k; 2020: £5,770k).

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.

	2021	2020
	University	University
Emoluments of the Vice-Chancellor:		
Salary before salary sacrifice arrangements	229	229
Salary sacrificed	(20)	(20)
Salary after salary sacrifice arrangements	209	209
Employers pension contributions	48	47
Pension contributions made under salary sacrifice arrangements	20	20
Total pension contributions	68	67
Total	277	276

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 basic salary is 6.1 times (2020: 6.8 times) the median pay of all University staff.

The Vice-Chancellor's total remuneration is 6.2 times (2020: 6.6 times) the median total remuneration of all University staff.

The University of Hull employs almost 2,100 people and had a turnover of c.£186m in 2020/21. 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 14,250 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.

Notes to the Accounts

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.

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 the University's goals. 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.

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 past year has been particularly challenging and the Vice-Chancellor has personally led the University's response to Covid-19 and the impact on University operations and students, alongside the successful achievement of all other objectives.

	2021	2020
	Consolidated Number	Consolidated Number
Average Staff Numbers by Major Category		
Academic departments	1,008	1,103
Central Student Services	93	98
Central Administration	518	475
Premises	156	161
	1,775	1,837

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 over £100,000 pa has been included below. Payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment are not included within the remuneration.

	2021	2020
	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	-
£150,000 - £154,999	-	-
£145,000 - £149,999	-	1
£140,000 - £144,999	-	1
£135,000 - £139,999	-	-
£130,000 - £134,999	2	2
£125,000 - £129,999	3	-
£120,000 - £124,999	-	3
£115,000 - £119,999	1	1
£110,000 - £114,999	3	2
£105,000 - £109,999	-	-
£100,000 - £104,999	-	1

Key management personnel

Key management personnel are members of the University Leadership Team, who have authority and responsibility for planning, directing and controlling the activities of the University. In 2021 three previous attendees of the ULT were made full members of the group. Staff costs in note 7 includes compensation paid to key management personnel.

	2021	2020
	Consolidated	Consolidated
	£'000	£'000
Key management personnel	1,477	1,331

Access and Participation

	2021	2020
	Consolidated	Consolidated
	£'000	£'000
Access Investment	559	764
Financial Support	53	66
Disability Support (excluding expenditure included in the two categories above)	774	727
Research and Evaluation	138	46
	1,524	1,603

Notes to the Accounts

8. INTEREST PAYABLE

8. INTEREST PAYABLE	2021		2020	
	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	848	848	897	897
Net charge on pension scheme	825	825	1,491	1,491
	1,673	1,673	2,388	2,388

9a. ANALYSIS OF EXPENDITURE BY ACTIVITY

Consolidated	Staff Costs	Amortisation/ Depreciation	Other Operating Expenditure	Interest Payable	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	60,880	1,247	10,299	-	72,426	79,328
Academic Services	9,440	2,837	7,388	-	19,665	22,122
Research Grants and Contracts	5,834	214	2,695	-	8,743	9,125
Residences, Catering and Conferences	4,147	10,025	310	-	14,482	16,710
Premises	1,553	14,485	7,405	1,673	25,116	21,705
Administration	6,425	23	4,519	-	10,967	9,627
Services Rendered	574	-	783	-	1,357	1,591
Movement in pension costs	1,128	-	-	-	1,128	(17,561)
Other Expenses	9,720	10	17,453	-	27,183	26,063
	99,701	28,841	50,852	1,673	181,067	168,710
Fundamental restructuring costs	1,141	-	-	-	1,141	9,347
	100,842	28,841	50,852	1,673	182,208	178,057

Other operating expenses include:

External auditors remuneration in respect of audit services	104	91
External auditors remuneration in respect of non audit services	11	6
Non audit services comprised assurance work in relation to specific returns		

Notes to the Accounts

University	Staff Costs	Amortisation/ Depreciation	Other Operating Expenditure	Interest Payable	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	60,880	1,247	10,299	-	72,426	79,328
Academic Services	9,440	2,837	7,388	-	19,665	22,122
Research Grants and Contracts	5,834	214	2,695	-	8,743	9,125
Residences, Catering and Conferences	4,147	10,025	310	-	14,482	16,710
Premises	1,553	14,485	7,405	1,673	25,116	21,705
Administration	6,425	23	4,519	-	10,967	9,627
Services Rendered	574	-	783	-	1,357	1,591
Movement in pension costs	1,128	-	-	-	1,128	(17,561)
Other Expenses	8,771	-	17,407	-	26,178	25,270
	98,752	28,831	50,806	1,673	180,062	167,917
Fundamental restructuring costs	1,141	-	-	-	1,141	9,347
	99,893	28,831	50,806	1,673	181,203	177,264

Other operating expenses include:

External auditors remuneration in respect of audit services	100	87
External auditors remuneration in respect of non audit services	11	6

Non audit services comprised assurance work in relation to specific returns

9b. ACCESS AND PARTICIPATION

	2021	2020
	£'000	£'000
Access Investment	974	1,262
Financial Support	3,412	2,705
Disability Support	833	793
Research and Evaluation	146	46
	5,365	4,806

Despite the challenges and uncertainties as a result of Covid-19, we continued to invest significantly in access and participation.

The total amount spent on access and participation includes staff costs amounting to £1,524k (2020: £1,603k) which represents 28% (2020: 33%) of total access and participation expenditure. All staff costs are already captured in note 7.

The University's Access and Participation Plan, approved by the OfS can be found at: www.hull.ac.uk/choose-hull/study-at-hull/money/docs/access-and-participation-plan-2020-21.pdf

We continue to commit outreach activity as set out in our Access and Participation plan with the focus targeted at under-represented groups.

Financial support includes bursaries for students from low household incomes and POLAR regions with the lowest rate of participation.

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

Notes to the Accounts

10. INTANGIBLE ASSETS

	Software	
	Consolidated	University
	£'000	£'000
Cost		
At 1 August 2020	16,362	16,362
Additions	461	461
At 31 July 2021	16,823	16,823
Amortisation		
At 1 August 2020	3,206	3,206
Charge	2,222	2,222
At 31 July 2021	5,428	5,428
Net Book Value		
At 31 July 2021	11,395	11,395
Net Book Value		
At 31 July 2020	13,156	13,156

The amortisation period is 7 years.

11. 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 2020	259,795	1,085	9,283	92,672	38,722	2,136	403,693
Additions	-	-	8,738	-	131	6,962	15,831
Transfers to SOCI	-	-	-	-	-	(838)	(838)
Transfers to Intangible Assets	-	-	-	-	-	(461)	(461)
Transfers to investment property	-	-	-	-	-	(407)	(407)
Transfers from WIP	-	-	-	1,625	2,760	(4,385)	-
Disposals	-	-	(9,283)	-	-	-	(9,283)
Impairment of assets	(417)	-	-	(8)	-	-	(425)
Reclassification to current assets	(9,649)	-	-	(1,190)	-	-	(10,839)
At 31 July 2021	249,729	1,085	8,738	93,099	41,613	3,007	397,271
Depreciation:							
At 1 August 2020	38,972	908	-	23,029	28,084	-	90,993
Charge for the year	5,991	7	9,283	6,479	4,859	-	26,619
Reclassification to current assets	(7,370)	-	-	(552)	-	-	(7,922)
Disposals	-	-	(9,283)	-	-	-	(9,283)
At 31 July 2021	37,593	915	-	28,956	32,943	-	100,407
Net Book Value							
At 31 July 2021	212,136	170	8,738	64,142	8,671	3,007	296,864
Net Book Value							
At 1 August 2020	220,823	177	9,283	69,643	10,638	2,136	312,700

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 2020	259,795	1,085	9,283	92,672	38,675	2,327	403,837
Additions		-	8,738		129	6,962	15,829
Transfers to SOCI	-	-	-	-	-	(838)	(838)
Transfers to Intangible Assets	-	-	-	-	-	(461)	(461)
Transfers to investment property	-	-	-	-	-	(407)	(407)
Transfers from WIP		-	-	1,625	2,760	(4,385)	-
Disposals	-	-	(9,283)	-	-	-	(9,283)
Impairment of assets	(417)	-	-	(8)	-	-	(425)
Reclassification to current assets	(9,649)	-	-	(1,190)	-	-	(10,839)
At 31 July 2021	249,729	1,085	8,738	93,099	41,564	3,198	397,413
Depreciation:							
At 1 August 2020	38,972	908	-	23,029	28,049	-	90,958
Charge for the year	5,991	7	9,283	6,479	4,849	-	26,609
Reclassification to current assets	(7,370)	-		(552)	-	-	(7,922)
Disposals	-	-	(9,283)	-	-	-	(9,283)
At 31 July 2021	37,593	915	-	28,956	32,898	-	100,362
Net Book Value							
At 31 July 2021	212,136	170	8,738	64,142	8,667	3,198	297,051
Net Book Value							
At 1 August 2020	220,823	177	9,283	69,643	10,626	2,327	312,879

Work in Progress (WIP) relates to costs for ongoing capital projects which are transferred to the relevant class of assets on completion.

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.

At 31 July 2021, freehold land and buildings included £23,782k (2020: £23,782k) in respect of freehold land and is not depreciated.

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 brought forward figures in the table above have been restated to reflect the service concession arrangement in place during the year ended 31 July 2020. 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. 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. This commits the University to pay for these rooms in the following year only. It is anticipated that student rents received will fully fund this obligation.

The asset value of the service concession in the Balance Sheet as at 31 July 2021 is £8,738k (2020: £9,283K).

The total liabilities relating to the service concession in the balance sheet as at 31 July 2021 were £8,738k (2020: £9,283k), 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

	Consolidated	University
	£'000	£'000
At 1 August 2020	4,225	4,225
Additions	407	407
Market value adjustment	(307)	(307)
At 31 July 2021	4,325	4,325

13. NON CURRENT INVESTMENTS	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Endowment investments	12,125	12,125	10,975	10,975
UPP (Hull) Limited	2,736	2,736	2,736	2,736
ERGO Centre	300	300	300	300
	15,161	15,161	14,011	14,011

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issues shares held %	Nature of business
Lampada Digital Solutions Ltd	England and Wales	Ordinary	100	Digital technology
Vertual Limited	England and Wales	Ordinary	36	Virtual Radiography
Kingston Chemicals Limited	England and Wales	Ordinary	21	Liquid Crystals
UPP (Hull) Limited	England and Wales	Ordinary	10	Student accommodation
ERGO Centre	England and Wales	Ordinary	13.63	Renewable technology hub
University Campus Scarborough Limited	England and Wales	Ordinary	100	Dormant
Aura Management Limited	England and Wales	Ordinary	100	Dormant

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

14. PROPERTIES FOR SALE

Three student residences and one other property are to be sold in 2021/22. The net book value has been moved from fixed assets to current assets, and no depreciation charged in the year.

15. TRADE AND OTHER RECEIVABLES	2021		2020	
	Consolidated	University	Consolidated	University
Debtors falling due within one year:				
Trade, student and research debtors	14,878	14,669	14,373	14,380
Amounts owed by subsidiary companies	-	876	-	547
Prepayments and Accrued Income	6,671	6,469	5,007	4,889
	21,549	22,014	19,380	19,816
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	3,153	3,153	3,220	3,220
	4,953	4,953	5,020	5,020

16. CURRENT INVESTMENTS	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deposits maturing in one year or less	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 fixed for the duration of the deposit at time of placement.

Notes to the Accounts

17. CASH AND CASH EQUIVALENTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Endowments	3,645	3,645	3,601	3,601
ST investments < 3mths	27,816	27,816	27,655	27,655
Cash at bank	3,471	3,098	4,146	3,764
	34,932	34,559	35,402	35,020

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021		2020 (restated)	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grants and Donations Received in Advance	9,379	9,379	7,585	7,585
Bank Loan (note 19)	2,000	2,000	2,057	2,057
Creditors	13,464	13,417	10,147	9,950
Amounts owed to subsidiary companies	-	132	-	145
Service concession arrangement	8,738	8,738	9,283	9,283
Social Security and other Taxation Payable	2,166	2,140	8,887	8,866
Accruals and Other Deferred Income	12,827	12,448	13,191	12,824
Deferred capital grants	4,186	4,186	4,170	4,170
	52,760	52,440	55,320	54,880

The prior year has been restated to include the liability relating to the service concession arrangement in place at 31 July 2020 of £9,283k, representing the present value of lease obligations for the following academic year.

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

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Bank Loans Repayable 2015 to 2036	27,250	27,250	29,250	29,250
Other deferred income	14,578	14,578	14,964	14,964
Deferred Capital Grants	31,880	31,880	33,915	33,915
	73,708	73,708	78,129	78,129

The bank loans are repayable as follows:

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Less than one year	2,000	2,000	2,057	2,057
Between one and two years	2,000	2,000	2,000	2,000
Between two and five years	6,000	6,000	6,000	6,000
In five years or more	19,250	19,250	21,250	21,250
	29,250	29,250	31,307	31,307

The bank loan was drawn in two equal tranches - the first at an interest rate of 2.637% is repayable to 2035, the second at an interest rate of 2.843% repayable to 2036. The loan is unsecured.

20. PROVISION FOR LIABILITIES AND CHARGES

	Consolidated and University			
	USS provision	Pension scheme provisions	Other provisions	Total
	£'000	£'000	£'000	£'000
At 1 August 2020	25,785	46,905	2,002	74,692
Movements	1,317	(16,103)	(791)	(15,577)
At 31 July 2021	27,102	30,802	1,211	59,115

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 both the University's own pension scheme and its part of the N Yorkshire pension scheme deficit. Further details are included in the Statement of Principal Accounting Policies and note 26 to the financial statements.

Other provisions include £675k provision for demolition costs. In addition £536k partly represents the present value of future pension enhancements in respect of former University College Scarborough employees who have taken early retirement (£530k) plus an amount of £6k for former University of Hull employees where the pension is paid directly by the University.

Notes to the Accounts

21. ENDOWMENT RESERVES

	Consolidated and University						
	Unrestricted Permanent	Restricted Expendable	Restricted Permanent	CMRI endowment	Restricted Total	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Value	7,799	849	3,903	22	4,774	12,573	13,149
Accumulated income	-	38	1,965	-	2,003	2,003	2,020
At 1 August 2020	7,799	887	5,868	22	6,777	14,576	15,169
New endowments	-	-	6	-	6	6	26
Disposal of investments	-	-	-	-	-	-	-
Increase/(decrease) in market value of investment	813	-	335	-	335	1,149	(583)
Investment Income	133	5	92	-	97	230	233
Expenditure	(133)	(27)	(20)	(10)	(57)	(190)	(269)
Total endowment comprehensive (expense)/income for the year	813	(22)	413	(10)	381	1,194	(593)
At 31 July 2021	8,612	865	6,281	12	7,158	15,770	14,576
Represented by:							
Capital	8,612	849	4,243	-	5,092	13,704	12,573
Accumulated income	-	16	2,038	12	2,066	2,066	2,003
	8,612	865	6,281	12	7,158	15,770	14,576
Analysis by type of purpose:							
Fellowships and scholarships	-	589	2,414	-	3,003	3,003	2,989
Prize funds	-	41	506	-	547	547	540
Chair and lectureship funds	-		1,600	-	1,600	1,600	1,566
Other	8,612	235	1,761	12	2,008	10,620	9,481
	8,612	865	6,281	12	7,158	15,770	14,576
Analysis by asset:							
Current and non current asset investments						12,125	10,975
Cash and cash equivalents (note 17)						3,645	3,601
						15,770	14,576

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.

Notes to the Accounts

22. CAPITAL COMMITMENTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Commitments Contracted for at 31 July	2,623	2,623	191	191

These commitments will be funded by operating cash flows.

23. EVENTS AFTER THE REPORTING PERIOD

Deficit Recovery Contributions (DRC) under the 2018 Valuation (2% of salary up to 30/9/2021) cease from 1 October 2021.

Option 1: Benefit Change Deed enacted before 28 Feb 2022:

- From 1 April 2022: DRC 6.3% p.a. of salary

The funding deficit would be expected to be eliminated by 31 March 2038.

Option 2: Benefit Change Deed not enacted by 28 Feb 2022:

- From 1 October 2022 to 31 March 2023: DRC 3% p.a. of salary
- From 1 April 2023 to 30 September 2023: DRC 6% p.a. of salary
- From 1 October 2023 to 31 March 2024: DRC 9% p.a. of salary
- From 1 April 2024 to 30 September 2024: DRC 12% p.a. of salary
- From 1 October 2024 to 31 March 2025: DRC 15% p.a. of salary
- From 1 April 2025 to 30 September 2025: DRC 18% p.a. of salary
- From 1 October 2025 onwards: DRC 20% p.a. of salary

The funding deficit would be expected to be eliminated by 31 July 2032.

Clearly a change in the DRC effects the value of the USS provision the University has to account for in the statement of financial position.

Assuming that the benefit change deed, as recommended by the JNC, is executed and option 1 contributions are implemented, the USS provision as at 31 July 2021 would have been significantly higher than reported at the balance sheet date. The option 1 proposal would result in an increase of £57,526k in the provision for the obligation to fund the deficit on the USS pension which would instead be £84,628k as at 31 July 2021. This adjustment would be reflected in the University's Financial Statements for the year ended July 2022 subject to the agreement by the JNC of option 1. The change has not been adopted in these financial statements as the adoption occurred after 31 July 2021 and is therefore non-adjusting.

As detailed in note 26 the Universities Superannuation Scheme (USS) was undergoing an actuarial valuation at the balance sheet date of 31 July 2021. This valuation was completed and signed by the Pensions Regulator with an effective date of 1 October 2021.

As a result of the increased scheme deficit following the 2020 valuation the Joint Negotiating Committee (JNC) has instigated a member consultation around proposed changes in response to the rising cost of providing the scheme's current benefits. Its decision paves the way for the introduction of new contribution rates through execution of a benefit change deed in February 2022.

A new Recovery Plan, Schedule of Contributions and Statement of Funding Principles was signed by the Trustee as part of the 31 March 2020 valuation, with new contribution rates effective from 1 October 2021. In particular the deficit recovery contributions payable will also be dependent on the enactment of a Benefit Change Deed as below:

24. FINANCIAL INSTRUMENTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Financial assets:				
Held at fair value:				
Non current asset investments	12,125	12,125	10,975	10,975
Current asset investments	7,100	7,100	-	-
Held at amortised cost:				
Bank and cash	34,932	34,559	35,402	35,020
Trade and other debtors	16,678	16,469	16,173	16,180
Accrued income	3,153	3,153	3,220	3,220
	73,988	73,406	65,770	65,395
Financial liabilities:				
Creditors falling due within one year	28,291	27,866	25,394	24,831
Creditors falling due after one year	27,250	27,250	29,250	29,250
	55,541	55,116	54,644	54,081

Notes to the Accounts

25. CONSOLIDATED RECONCILIATION OF NET DEBT

	2021
	£'000
Net debt 1 August 2020	(4,095)
Movement in cash and cash equivalents	(470)
Other non-cash changes	(1,117)
Net debt 31 July 2021	(5,682)
Change in net debt	(1,587)

Analysis of net debt:	2021	2020
	£'000	£'000
Cash and cash equivalents	34,932	35,402
Borrowings: amounts falling due within one year		
Unsecured loans	2,000	2,057
	2,000	2,057
Borrowings: amounts falling due after more than one year		
Unsecured loans	27,250	29,250
	27,250	29,250
Net debt	(5,682)	(4,095)

26. PENSION SCHEMES

(a) Universities Superannuation Scheme ("USS")

The total cost charged to the SOCI is £12,357,580 (2020: £13,180,368).

Deficit recovery contributions due within one year are £3,287,441 (2020: £1,119,443).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. The 2020 valuation was signed and filed with the Pensions Regulator with an effective date of 1 October 2021, as detailed in note 23.

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

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

Pension increases (CPI)
Term dependent rates in line with the difference between the
Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates)
Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73%
Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
Years 21+: CPI + 1.55%

Notes to the Accounts

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

Mortality base table 2018 valuation
Pre-retirement:
71% of AMCOO (duration 0) for males and 112% of AFCCO (duration 0) for females.
Post-retirement:
97.6% of SAPS SINMA “light” for males and 102.7% of RFV00 for females.

Future improvements to mortality:
CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	3%	3%

(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 2015. The market value of the scheme assets as at the 2015 date, excluding additional voluntary contributions, was £92 million. The value placed on the scheme liabilities was £129.9m, resulting in a shortfall of £37.9m. On this basis the scheme was funded at 71%.

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.

Following the previous actuarial valuation at 6 April 2012, and in order to meet the agreed recovery plan, the University revised its contribution rate to 16.40% of pensionable salaries plus an additional monthly sum, which would increase annually in line with a formula linked to inflation increases. The monthly lump sum increased to £253,264 with effect from 1 July 2021.

The total pension contributions paid by and charged to the University were £2,996,838 (2020: £2,922,762).

Notes to the Accounts

(c) Friends Life 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 1 April 2016 the University changed to Friends Life (from Scottish Widows) 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 £889,194 (2020: £998,271).

(d) Other Pension Schemes

A small number of staff remain in other pension schemes. Employer contributions to such schemes totalled £636,945 during the year (2020: £649,587).

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

A full actuarial valuation of this scheme was carried out at 6 April 2018.

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

	2021	2020
	University	University
Rate of increase in salaries	3.10%	2.90%
Rate of increase in pensions in payment	3.10%	2.90%
Discount rate	1.70%	1.40%
RPI Inflation assumption	3.10%	2.90%
CPI Inflation assumption	2.60%	2.30%

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		
Males	22.1	22.1
Females	24.1	24
Retiring in 20 years		
Males	23.6	23.5
Females	25.6	25.5

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 2021 were:

	2021
	£’000
Global and emerging equities	25,293
Global fixed income	13,480
Multi asset credit	5,315
Absolute returns	38,951
Hedge funds	1,839
Property	2,025
Illiquid	1,339
Hedging	43,951
Cash/other	1,832
	134,025

(2020: £130m, made up of equities £56m, bonds £40m, LDI pooled funds £34m, cash/other £179k).

Notes to the Accounts

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

	2021	2020
	£'000	£'000
Total market value of assets	134,025	130,064
Present value of scheme liabilities	(164,025)	(173,723)
Deficit in the scheme	(30,000)	(43,659)
Current service cost	-	-
Past service cost	-	-
Total operating charge	-	-
Expected return on pension scheme assets	1,806	2,492
Interest on pension scheme liabilities	(2,399)	(3,250)
Net charge to other finance income	(593)	(758)
Gain on assets	4,295	10,336
(Loss) on liabilities	(7,335)	(18,284)
Changes in assumptions re present value of scheme liabilities	-	-
Actuarial (loss)	(3,040)	(7,948)

History of experience gains and losses

	2021	2020	2019	2018
Differences between the expected and actual return on scheme assets:				
Amount (£'000)	4,295	10,336	5,550	2,004
Percentage of scheme assets	3%	8%	5%	2%
Experience gains and losses on scheme liabilities:				
Amount (£'000)	7,335	(18,284)	(17,777)	4,661
Percentage of the present value of the scheme liabilities	(4.5%)	11%	11%	(3.4%)

Analysis of movement in deficit

	2021	2020
	University	University
	£'000	£'000
Deficit in scheme at beginning of the year	(43,659)	(37,596)
Movement in the year:		
Current service cost	(481)	(379)
Contributions by employer	3,103	3,022
Past service costs	-	-
Other financial charges	(593)	(758)
Gain/(loss) recognised as other comprehensive income	11,630	(7,948)
Deficit in scheme at end of year	(30,000)	(43,659)

Notes to the Accounts

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

	2021	2020
	University	University
	£'000	£'000
At beginning of the year	173,723	157,334
Current service cost	-	-
Interest on liabilities recorded within other comprehensive income	2,399	3,250
Contributions by employee	-	-
Past service costs	-	-
Pensions paid	(4,762)	(5,145)
Actuarial (gains)/losses	(7,335)	18,284
At end of year	164,025	173,723

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

	2021	2020
	University	University
	£'000	£'000
At beginning of the year	130,064	119,738
Expected return on assets	1,806	2,492
Total contributions	3,103	3,022
Pensions paid	(4,762)	(5,145)
Administration costs	(481)	(379)
Actuarial gain	4,295	10,336
At end of year	134,025	130,064

(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 2021 by a qualified actuary. The major assumptions used by the actuary were:

	2021	2020
	University	University
Rate of increase in salaries	3.85%	3.55%
Rate of increase in pensions in payment	2.60%	2.30%
Discount rate	1.70%	1.40%
Inflation assumption RPI	3.20%	2.90%
Inflation assumption CPI	2.60%	2.30%

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

	2021	2020
	University	University
Retiring today		
Males	21.9	21.8
Females	24.0	23.9
Retiring in 20 years		
Males	23.6	23.5
Females	25.8	25.7

Notes to the Accounts

The assets in the scheme were:

	2021	2020
	University	University
	£'000	£'000
Equities	9,532	8,174
Bonds	2,261	2,762
Property/Cash/Other	4,015	2,872
	15,808	13,808

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

	2021	2020
	University	University
	£'000	£'000
Total market value of assets	15,808	13,808
Present value of scheme liabilities	(16,610)	(17,054)
Deficit in the scheme	(802)	(3,246)

Current service cost	81	71
Past service cost	-	-
Total operating charge	81	71

Expected return on pension scheme assets	192	270
Interest on pension scheme liabilities	(236)	(329)
Net charge	(44)	(59)

Gain on assets	2,058	798
Gain/(loss) on liabilities	315	(1,188)
Changes in assumptions re present value of scheme liabilities	-	-
Actuarial (loss)	2,373	(390)

History of experience gains and losses

Differences between the expected and actual return on scheme assets:	2021	2020	2019	2018
Amount (£'000)	2,058	1,996	470	1154
Percentage of scheme assets	13%	13%	4%	9%
Experience gains and losses on scheme liabilities:				
Amount (£'000)	315	(1,188)	(1,586)	183
Percentage of the present value of the scheme liabilities	(1.9%)	7.0%	10.0%	(1.3%)

Notes to the Accounts

Analysis of movement in deficit

Deficit in scheme at beginning of the year
Movement in the year:
Current service cost
Employer contributions
Past service costs
Other financial income
(Loss) recognised as other comprehensive income
Deficit in scheme at end of year

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

At beginning of the year
Current service cost
Interest on liabilities recorded within other comprehensive income
Employee contributions
Past service costs
Pensions paid
Actuarial loss
At end of year

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

At beginning of the year
Expected return on assets
Total contributions
Pensions paid
Actuarial gain
At end of year

2021	2020
University	University
£'000	£'000
(3,246)	(2,900)
(81)	(71)
196	174
-	-
(44)	(59)
2,373	(390)
(802)	(3,246)

2021	2020
University	University
£'000	£'000
17,054	15,889
81	71
236	329
10	11
-	-
(456)	(434)
(315)	1,188
16,610	17,054

2021	2020
University	University
£'000	£'000
13,808	12,989
192	270
206	185
(456)	(434)
2,058	798
15,808	13,808

Notes to the Accounts

27. DEPARTMENT OF EDUCATION BURSARY FUND

	2021	2020
	University	University
	£'000	£'000
Balance brought forward at 1 August	111	48
Grants	1,405	1,950
	1,516	1,998
Disbursed to students	(1,577)	(1,887)
Balance unspent at 31 July	(61)	111

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.

28. RELATED PARTY DISCLOSURES

Details of investments are given in Note 13.
All transactions with related parties are conducted at arms length.

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 nine trustees, of whom two are employees of the University.

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

Hull University Students' Union is the official students' 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 students' 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.

Vertual Limited

Virtual Limited provides other information technology service activities. The University of Hull has a 36% shareholding in the company.

	Income	Expenditure	Balance due to the University	Balance due from the University
	£000	£000	£000	£000
The University of Hull Maritime History Trust Limited	12	5	-	7
The Ferens Education Trust	73	125	53	-
Hull University Students' Union	244	1,358	2	2
EMIH Limited	44	69	-	-

29. 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 in 2021 was £0 with meetings being held online due to Covid-19 (2020: £2,082 to four trustees).

Notes

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