



UNIVERSITY
OF HULL

Annual Report and Statement of Accounts 2023

1 AUGUST 2022 TO 31 JULY 2023

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Foreword

At the end of a highly successful year for the University of Hull, it is our privilege to introduce this review, celebrating just some of the many achievements our University community has enjoyed during the last twelve months.

Testament to the hard work and dedication of our staff, the results of the 2023 National Student Survey demonstrate that our students are exceptionally positive about the quality of their education and learning environment. We were extremely proud to be ranked 20th in the UK by Times Higher Education in their analysis of overall positivity. This reflects our top quartile results across a wide range of areas, including the quality of our teaching and provision of learning opportunities, the clarity and fairness of assessments and our commitment to working in partnership with our students to improve their experience.

Further validation of our outstanding student experience and student outcomes is provided by the University's Gold rating in the 2023 Teaching Excellence Framework (TEF). The award reflects our sector-leading approach to competence-based, inclusive education and the positive impact this has on the experience and success of our students. Our excellence in research-led teaching and authentic assessment, our comprehensive support for staff professional development and the quality of our learning resources were among the many other features considered outstanding by the TEF panel. The announcement of our Gold award in September provided a wonderful opportunity to celebrate with staff and students this well-deserved recognition of what makes a Hull education so special.

Following our strong performance in the 2021 Research Excellence Framework, where 82% of our research was recognised as world-leading or internationally excellent, it is gratifying also to be ranked highly in the Knowledge Exchange Framework (the final element in the sector's trio of excellence frameworks). Reflecting the importance of partnership as one of the core pillars of our Strategy 2030, we are ranked in the top quintile nationally for our research partnerships and our work with the public and third sector, and in the second quintile for our work with businesses.

Sustainable development - working towards a society where all can prosper while preserving the future of our planet - is at the heart of our Strategy 2030. We are proud to have published our first annual sustainability report this year. Supplementing the account within these pages, this new report captures in fuller detail the broad range of ways that, through our research, our partnerships and action on our own campus, we are playing our part in tackling social injustices and solving ever-more urgent environmental challenges.

2022/23 has been a year of strong financial performance. Our operating income and research income are both at the highest level in our history. Together with our successful work in recent years to restore a sustainable financial position, this has enabled us to remain resilient in the face of the material impact of considerable additional energy costs, the early implementation of part of the 2023/24 pay award, and high levels of inflation in many of our costs.

The UK higher education sector continues to face significant challenges, including the declining real-terms value of home undergraduate tuition fees, volatility in many international recruitment markets and the sector-wide industrial disputes over pay and conditions. How we respond to these challenges will remain front of mind for the foreseeable future, but our excellent academic performance and robust financial position enable us to look ahead with confidence.

As the new academic year gets underway, we are pleased to welcome several new members to the University Leadership Team and University Council. Professor Kevin Kerrigan joins us as Deputy Vice-Chancellor, Professor Fiona Matthews as Pro-Vice-Chancellor for Research and Enterprise, and Professor Dirk Schaefer as Dean of the Faculty of Science and Engineering. Andrew Haigh and Dr Catherine Murray join us as new lay members of Council. We have also recruited a number of other senior roles across the University, further building leadership capacity that will allow us to deliver our ambitious strategy.

Our new colleagues join an inclusive and warm community that is talented, committed and ambitious. The remarkable accomplishments of our students, staff and alumni are truly inspiring and a source of immense pride.

“Through the collective efforts of our people, the University continues to transform lives and shape a fairer, brighter and sustainable future for all.

George Garlick OBE
Chair of Council

Professor Dave Petley
Vice-Chancellor



University Chancellor



We are delighted to welcome the Right Honourable Alan Johnson as the sixth Chancellor of the University of Hull. MP for Hull West and Hessle for 20 years between 1997 and 2017, Mr Johnson served in a variety of cabinet roles during his Parliamentary career, including Secretary of State for Education and Skills, Secretary of State for Health, and Home Secretary. Now an award-winning memoirist, novelist and political commentator, his accomplishments, extensive service to education and commitment to Hull and East Yorkshire make him an impressive role model for our graduates.

Mr Johnson received an honorary DUniv degree from the University in 2018 and was installed as our Chancellor at a ceremony in July 2023, where his first duty was to confer degrees on our latest graduates. The occasion was marked with the launch of ten Chancellor Scholarships, a new programme of merit-based awards covering the full cost of undergraduate tuition for students with high academic potential. Mr Johnson will be an outstanding ambassador for the University and our region. We look forward to drawing on his invaluable experience, influence and insight as we pursue our Strategy 2030 and continue to build our reputation nationally and internationally as an educationally-excellent, research-led civic university.

Mr Johnson succeeds the Right Honourable Baroness Bottomley of Nettlestone, who had served as Hull's Chancellor since 2006. We are immensely grateful for her tireless dedication to the role, her passion for the University and her inspirational contribution to our graduation ceremonies and other University events over the last seventeen years.

Strategic Review

Our Strategy 2030

Strategy 2030 sets out our commitment to build a fairer, brighter, carbon neutral future, with environmental sustainability and social justice informing education, research and knowledge exchange across all of our faculties.

Through a consistent focus on the full scope of societal challenges, from the local to the global, we are making a real difference, both within our own communities and across the world.

Our Strategy rests on the talent and dedication of our people, our strong sense of place and our dynamic partnerships.

Together, we are...

- Providing an outstanding university experience that offers opportunities for students from all backgrounds to flourish.
- Educating the next generation of socially responsible citizens, equipping them to confront the defining challenges of our age.
- Tackling inequalities in health outcomes to transform the lives of people in the Humber region and beyond.
- Working with industry and businesses to seek innovative, sustainable and fair solutions for the future of our planet.
- Promoting social justice to build safe, resilient and inclusive communities.

The achievements highlighted throughout this annual report illustrate just some of the ways we have translated our Strategy into action over the last year.







Our People

People are central to our ability to transform lives and enable individuals and communities to flourish.



Supporting our diverse community of talented students

We take pride in providing opportunities for people from all backgrounds to realise their potential. Our approach to widening participation and inclusive education ensures that all of our students are given an equal opportunity to succeed and graduate with the skills for lifelong careers and the drive to shape a just and sustainable future.

Universities team up to offer new opportunities to support local learners

March 2023 saw the launch of our new learning centre in East Hull. A collaboration between the University of Hull, the University of York and national education charity **IntoUniversity**, the centre is working closely with local schools and businesses to offer long-term educational support to over 1,000 students aged 7 to 18 each year. Through workshops, one-to-one tuition, mentoring and work experience placements, the centre aims to inspire and empower young people from disadvantaged neighbourhoods, giving them the skills and confidence to progress into higher education.

Inclusive scholarships create sense of belonging

The first six recipients of our Attitude Magazine Foundation Scholarships have completed their first year of study. The scholarships offer students from the LGBTQ+ community grants of £1,000 to support the cost of their studies. The scheme was launched in partnership with Attitude magazine in 2022, following the success of our Jeremy Round Scholarship the previous year, when we became the first UK university in the country to offer an LGBTQ+ scholarship at undergraduate level. Recipients of the scholarships have spoken about how the support has increased their confidence and given them a feeling of solidarity and inclusion. This positive impact on the lives of our students was recognised at the PRmoment Awards 2023, with the scholarships being named Best Diversity and Inclusion Campaign.

Scholarships to support future changemakers

Reflecting the ambitions of Strategy 2030 to shape a fairer, brighter and carbon neutral future, our new Fairer Future Global Scholarships are supporting international undergraduate students who are committed to upholding the United Nations Sustainable Development Goals (SDGs) as part of our academic community and in their future career. Seventeen awards, one for each SDG, are available and successful applicants each receive a 50 per cent tuition fee scholarship for the three years of their study. Our first cohort of Fairer Future Global Scholars began their studies in autumn 2023.

TEF 2023

Gold

Teaching Excellence Framework

The University is proud to have been awarded a Gold rating in the 2023 Teaching Excellence Framework. Gold is the highest TEF award and recognises that our student experience and student outcomes are typically outstanding.



“TEF Gold is a remarkable achievement. It reflects our innovative, distinctive approach and exceptional learning resources on campus. It is also testament to our determination for our teaching to be the best it can possibly be and our commitment to making sure our students are engaged with developments at the cutting edge of research, practice and scholarship.”

“We have listened to our students, transformed our approach to teaching, enhanced our academic and pastoral support, and empowered students to achieve their own personal and professional success – and this has all been recognised by the TEF panel.”

Professor Dave Petley
Vice-Chancellor

The TEF is a national scheme run by the Office for Students (OfS) that aims to encourage higher education providers to improve and deliver excellence in the areas that students care about the most: teaching, learning and achieving positive outcomes from their studies. The TEF does this by assessing and rating providers for excellence above a set of minimum requirements for quality and standards. TEF ratings reflect the extent to which a provider delivers an excellent experience and outcomes for its mix of undergraduate students and across the range of its undergraduate courses and subjects. The ratings were awarded in 2023 for four years.

Our TEF provider submission provided a welcome opportunity for us to showcase the many ways in which the innovation and tireless commitment of our staff is delivering excellence for our students.

- Our competency-based approach to education shifts the focus of our teaching philosophy from what a student knows to what a student can do. Through curricula that exceed knowledge acquisition and encompass how each student reasons, behaves and self-regulates, our competence-based programmes develop the whole student. This is how the Hull student makes educational gain, setting them up for success in their future careers. Our innovative approach has been recognised by JISC and the QAA, who have funded us to explore the implementation of our Competence Framework across the UK higher education sector.
- Our Inclusive Education Framework ensures that any student, from any background or walk of life, can thrive at the University. There is no single solution to inclusivity—our approach seeks to provide academically rigorous and authentic training in knowledge, skills and behaviours appropriate to the discipline and context.
- The Brynmor Jones Library, our world-class cultural facilities and other specialist learning spaces, such as the mock hospital ward and operating theatre in the Allam Medical Building, enable us to offer a breadth of support tailored to the needs of our students and courses.
- We work in genuine partnership with our students to ensure that we are meeting the needs of our diverse community. Our students are collaborators in curriculum design and our Inclusive Education Framework, for example, and mechanisms are in place at all levels of the University to engage with, and act on, feedback from our students.
- Through authentic assessment practices, paid internal and external internships, and our Graduate Attributes scheme, we support our students to acquire exceptional graduate competencies and empower them to determine and achieve their own personal and professional successes.





Recognising and rewarding our inspirational colleagues

Strategy 2030 sets out the University's commitment to social justice and our ambition to be recognised as a sector leader in equality, diversity and inclusion. Launched this year, our new People Strategy similarly commits the University to creating a nurturing environment in which our people feel valued and are supported to thrive.

Reward and recognition structures that are transparent and underpinned by our values are a key part of delivering these commitments. Following negotiation with our campus trade unions, we have implemented changes to the banding of our pay grades, ensuring that all spine points exceed the Real Living Wage and providing a pay uplift for the majority of staff in the lowest five pay bands. We have also introduced harmonised payments for staff working shifts or nights.

In April, we held our second *Inspired in Hull* annual awards ceremony, celebrating the dedication and achievements of our staff community. Held in partnership with Hull University Students' Union, the awards recognise individual and collective contributions across seventeen categories, including best module, excellence in teaching and postgraduate student experience. We have highlighted just some of the worthy recipients throughout this report. Congratulations once more to all nominees and winners.

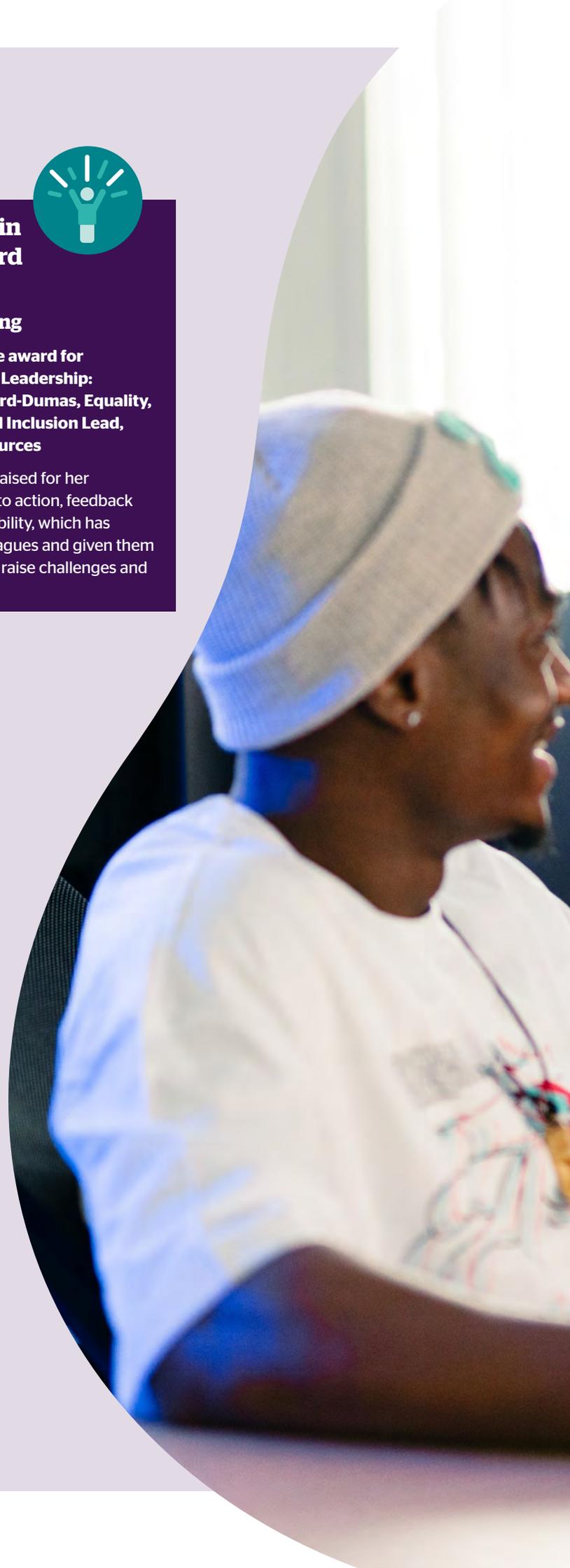


Inspired in Hull award winners

Empowering

Winner of the award for Outstanding Leadership: Hayley Pickard-Dumas, Equality, Diversity and Inclusion Lead, Human Resources

Hayley was praised for her commitment to action, feedback and accountability, which has inspired colleagues and given them confidence to raise challenges and questions.







Our vibrant community: individually different, collectively brilliant

Award-winning nursing academics

The exceptional contribution to nursing, public health and education of nursing lecturers Lizzie Ette and Victoria Hewson has been recognised with the prestigious NHS England Chief Nursing Officer's Silver Award. The award celebrates nurses who go above and beyond their everyday roles to provide excellent care, leadership and inspiration to their colleagues and patients.

Dr Jennifer Loke and Heather Pepper have been honoured with the prestigious title of Queen's Nurse by The Queen's Nursing Institute, the oldest professional nursing organisation in the UK. The Queen's Nurse title is awarded to individual nurses who have demonstrated a high level of commitment to patient care, learning and leadership.

Lifetime dedication recognised

Professor Bernard Binks was the recipient of the 2023 Overbeek Gold Medal, awarded in recognition of his commitment and achievements in chemistry. The Medal honours leadership and scientific excellence in the field of colloid and interface science over an entire career.

Professor Mike Elliott was presented with the Lifetime Achievement Award of the Estuarine and Coastal Sciences Association at its international symposium in September 2022, becoming only the second recipient from Europe of this biennial award.

Alumni named in New Year Honours

Three Hull graduates were recognised in the 2023 New Year Honours. Prime Minister's Special Envoy for Girls' Education and former minister and solicitor Helen Grant MP (LLB Law 1983) was awarded an OBE for her political and public service. Robert Elstone (BSc Economics 1985) received an MBE for services to sport. As a Hull student, Robert captained our rugby team before going on to become CEO of Everton FC and Super League Chief Executive. Robert Oliver (BA Economics, Politics and Sociology 1979) was awarded an MBE for services to the construction equipment manufacturing sector. The 2023 Honours list also saw honorary graduate, and founding member of Queen, Sir Brian May (Doctor of Science 2022) receive a knighthood.



Memorial awards recognise outstanding student achievements

The inaugural Mandakini Jha Memorial Prize was awarded to MA International Politics student Garusha Katoch after she received a distinction mark for every module and the highest Grade Point Average on her course. The Prize is awarded in memory of politics alumna Mandakini Jha, who went on to be a prominent sociologist in her home state of Gujarat.

Nursing degree apprentice Emma Marston was the recipient of the prestigious Michelle Harris Prize for the highest marks in her year, scoring a hugely impressive average of 92.7% in her first-year assignments. Emma was the first apprentice to win the award, which was established in 1999 to commemorate the life and achievements of former Hull student Michelle, who tragically died shortly after qualifying as a nurse.

Student social worker recognised

Social Work student Denford Duri was a finalist in the Student Social Worker of the Year category in the annual Social Worker of the Year Awards. He was jointly nominated by Hull City Council's Adult Social Care team and our Faculty of Health Sciences, and his work and ethos were praised by the award judges.

Shining a light on excellence in research and education

Our inaugural Research Fest took place in January, showcasing the impact of the University's research through interactive workshops, seminars, film screenings, information stands and networking sessions, while discussion panels explored topics such as academic freedom, open research and diversity in research. The same day saw the launch of our Cup of TEA podcasts. Hosted by our Teaching Excellence Academy (TEA), the inspiring podcast series features interviews with colleagues about their innovative practice in teaching, assessment and student support and celebrates the outstanding education taking place across our University.

Inspirational public lectures

We relaunched our inaugural lecture series in October, with new Vice-Chancellor Professor Dave Petley giving the first talk. Illustrating the intersection between social justice and sustainability at the heart of our Strategy 2030, Professor Petley outlined the role climate change plays in the increasing occurrence of landslides around the world and the often devastating impact these have on the most vulnerable communities.

The 2022/23 series of public lectures delivered by the University's newly appointed or promoted professors featured talks on a diverse range of topics, from the role of early embryonic development in determining lifelong health to the impact of the rise of social media and cancel culture on our understanding of injustice and victimisation. We have another full programme planned for 2023/24, with all inaugural lectures open to the public and streamed online.

2022 also saw the return of our annual series of public lectures by eminent alumni. We were delighted to welcome back to campus award-winning producer and co-founder of Left Bank Pictures Andy Harries and historian, author and broadcaster Dr Tracy Borman, as they shared the 'inspired in Hull' story of their lives and careers.





Our Place

Proud to serve our city as a globally engaged university, the importance of place underpins our work to address the challenges facing our region and share solutions that are transferable across the world.

An inspiring place to study and work

Place starts with our own campus. We continue to invest in the development of our physical and digital estate to provide sustainable, world-class research and teaching spaces and an environment in which every member of our University community can thrive. Projects completed this year include the Nest, which is a new meeting and social space in Student Central, the redesign and replacement of our data network and installation of additional electric vehicle charge points.

To celebrate the launch of our Strategy 2030, two students were selected to collaborate with local illustrator Calvin Innes to design and paint a large campus mural influenced by the interconnected themes of social justice and environmental sustainability. Unveiled during Welcome Week in September 2022 and located on the Wilberforce building, a prominent location at the heart of our campus, the bold and colourful mural seeks to inspire and empower our community to act to shape a fairer, brighter and carbon neutral future. Much of the mural was created using carbon-capturing paint, so even the artwork itself contributes directly to our vision.

In the summer of 2023, we formally opened our new Centre of Excellence for Data Science, Artificial Intelligence and Modelling (DAIM), a £4.5 million facility housing the largest computational teaching space on campus. The design of the new building offers an immersive, contemporary and high-quality digital setting, while keeping its environmental impact to a minimum. The building was highly commended in the Modern Methods of Construction category at the 2023 Constructing Excellence in Yorkshire and Humber Awards.

Growing biodiversity

In just one of the initiatives we are taking to improve biodiversity on campus, our Biology, Zoology and Marine Biology students have worked in partnership with Students for Trees and the Woodland Trust to plant more than 300 native trees and create several bug houses around the West Campus playing fields. The tree-planting group included finalists taking our Practical Conservation module, where students work with local conservation organisations and learn about biodiversity management from conservation practitioners.

Our Hedge Hunters citizen science project sees researchers from our Energy and Environment Institute working with a group of local school children to map gaps in hedgerows across East Yorkshire. As part of their 'hedgucation' mission to raise public awareness of the environmental importance of hedgerows, the Hedge Hunters have developed an illustrated children's story book, "The Mystery of the Giant Claw." The book was launched this summer at Walkington Primary School, and a hardback copy has been provided to every primary school in our local area. Profits from sales of the book will be reinvested into crucial further research and similar youth-led projects within our community and beyond.



“ The University is part of a new network galvanising a step change in the ability of policymakers in the region to mobilise academic research expertise and bring lasting change to communities.



Flood Innovation Centre raises awareness about flooding

Floodmobile, our innovative mobile flood resilience demonstration vehicle, toured the Humber region during September 2022. The ‘flood house on wheels’ is packed with around fifty different flood resilience measures, designed to help households and businesses understand the property-level adaptations they can introduce to reduce the impact of future flooding. Floodmobile was created by our Flood Innovation Centre, which develops new products and services in flood resilience as well as providing free support services to help businesses and community groups across the country become better protected from flood.

Yorkshire universities awarded £3.9 million to link world-leading research with policymakers

The University is part of a new network connecting researchers and local authorities across our region. Funded by Research England, the Yorkshire and Humber Policy Engagement and Research Network (Y-PERN) aims to galvanise a step change in the ability of policymakers in the region to mobilise academic research expertise and bring lasting change to communities. Priorities include supporting the region to transition to net zero and driving economic growth. Our Y-PERN Policy Fellow joined the University in spring 2023 to lead the network’s activities in Hull and East Yorkshire. A series of well-attended exploratory workshops involving academics, policymakers, community organisations and people with lived experience were held in July 2023, focusing on projects related to living well with water and aligning research priorities with community-led priorities.

Remote working research presented to UK Government

In December 2022, researchers from our Faculty of Business, Law and Politics presented key evidence to a parliamentary inquiry examining the future contribution of remote working to the UK economy. With the COVID-19 pandemic having demonstrated that most public services and businesses in the UK were able to pivot to remote working, our research found that this was no longer seen as a temporary measure. Flexible and agile working patterns hold greater appeal for many employees and are now more widely used than expected in the UK – and particularly in Hull, where 80% of employers and workers support the use of remote working post-pandemic to enhance productivity, diversity and work-life balance.



Awards recognise regional innovation

We were proud to host the first-ever Innovate North Awards in May, celebrating excellence across the 675 businesses that have received innovation support in recent years from our Aura Innovation Centre, SparkFund, Flood Innovation Centre or Humber Internships Programme. Between them, the companies have launched 170 new products, achieved a 400-tonne reduction in carbon emissions, created 195 jobs and increased sales in the region by around £85 million. The winners included charities, engineers, manufacturers and IT experts.

“ 675 businesses have received innovation support from the University in recent years. Between them, they have launched 170 new products, achieved a 400-tonne reduction in carbon emissions, created 195 jobs and increased sales in the region by around £85 million.

Inaugural physio students graduate into local workforce

Over 500 medicine and healthcare students graduated from the University in July 2023, with the majority already going on to work in local hospitals and other health services. Among the new graduates were the first cohort from our BSc Physiotherapy programme. This new programme was launched in 2020 at the specific request of local healthcare providers to address a national shortage of physiotherapists. The students graduating this summer have secured roles with employers across our region, including Hull University Teaching Hospitals NHS Trust, City Health Care Partnerships, Flex Health and St Gemma's Hospice in Leeds.

Research calls for more coherent regional approach to youth work

Youth work services in the north of the UK have sustained some of the deepest cuts nationally, according to research led by researchers in our School of Education with the Yorkshire and Humber Youth Work Unit. The team's report on the state of youth services in Yorkshire and Humber highlights the decline in youth services at a time when young people in our region are already experiencing significant challenges and inequalities compounded by the COVID-19 pandemic. The report recommends a region-wide strategy to eradicate disproportionate differences in access to high-quality youth services. It has been endorsed by figures including the regional Chair of the Association of Directors of Children's Services, the Chair of the National Youth Sector Advisory Board and the MPs for Barnsley Central and Hull West and Hessle.

Evaluating the impact of Eurovision on place

Building on our experience as exclusive academic research partner to Hull City of Culture 2017, the University is leading one of four studies underway to evaluate the social, cultural and economic legacy of Eurovision 2023, which was hosted by Liverpool on behalf of Ukraine. Commissioned by the British Council, Liverpool City Council and the Department for Culture, Media and Sport, the research is exploring Eurovision's role in developing shared values during a time of conflict and the impact of the event on the international appeal and soft power of the host city and country. The series of study reports aim to assist those involved in the planning and delivery of large-scale cultural events, including the next Eurovision host city, Malmö in Sweden.

Adapting to a heating planet

Heat can have devastating impacts on a range of people, with those over fifty in particular having a higher mortality risk during heatwaves. Researchers from our School of Sport, Exercise and Rehabilitation Sciences have found that people may be able to reduce the risk of heat stress by using hot water immersion techniques. While further research is required to fully assess safety, the study suggests this more accessible alternative to traditional heat acclimation, which involves being exposed to high air temperatures during exercise, may be appropriate for both robust athletes and people who are older and more sedentary.



Inspired in Hull award winners

Progressive

Winner of the Outstanding Teamwork Award: Early Career Team supporting the Risky Cities project

The team was hailed for delivering a body of external engagement activities that have raised climate awareness and flood resilience across our region.





Our Partnerships

We work collaboratively to deliver meaningful benefit for our students, our communities and our planet.

Education for Sustainable Development

Over the last year, eight student partners representing a variety of programme clusters have worked with academic staff on a project to map our curricula against the UN Sustainable Development Goals and Education for Sustainable Development (ESD) competencies. Supported by Students Organising for Sustainability UK (SOS-UK) as part of its ESD changemakers programme, our students then used the mapping results to develop exciting recommendations for how ESD, and sustainability more generally, can be further embedded into our programmes. We look forward to continuing to work in partnership with our students to take forward the project findings.

A decade of student opportunities

In August 2022, we celebrated ten years of working in partnership with Hull-based marketing firm Summit Media. Summit's digital marketing expertise within the retail sector includes working with leading national and international brands, including Joules, The Range and Three. Through the partnership, our Business School students get the chance to boost their employability by taking part in placements and masterclasses. An average of two graduates per year have gone on to secure a job at Summit Media since our partnership began.

Inclusion through sport

We are proud to be a partner of both of the Hull Super League clubs. We are working with Hull FC to develop a rugby league performance, education and community hub on our campus, and this year we celebrated the launch of a new partnership with Hull KR. As well as supporting the club's rugby league teams, our partnership with Hull KR sees us become principal sponsor of their newest side, Hull KR Netball. Inclusivity is at the heart of both partnerships, with our support spanning the diverse range of sides within each club, including women and girls squads and the Physical Disability and Learning Disability Rugby League teams. The partnerships also offer opportunities for our students to undertake industry placements within various fields, from sports science, coaching and physiotherapy to marketing and media.





UNIVERSITY
OF HULL

OFFICIAL UNIVERSITY PARTNER

Finding the extraordinary in everyone

Founded on our shared belief that with hard work, the right opportunities and the support of a dedicated team we can all achieve extraordinary things, our exclusive partnership with Team GB has been renewed until 2028. The partnership will now span a total of nine years and tournaments around the globe, including the 2024 games in Paris, the Milano Cortina 2026 Olympic Winter Games and the Los Angeles 2028 Olympic Games. As official university partner, we are able to offer a range of valuable opportunities for our students, staff and the community in Hull, and we are working closely with Team GB to help reduce their environmental impact in preparation for the next Olympics.

Olympic champion shares his mental health story

Three-time Olympic Champion Max Whitlock OBE helped lead the discussion at an event held on campus during Mental Health Awareness Week. Max, who has been a Team GB Ambassador for the University since 2019, described how he hit an all-time low once the euphoria wore off after his success at the Tokyo Olympics. His visit to campus was one of several by Team GB athletes over the last year.

Making the Olympics more sustainable

The University's Centre for Sustainability and Olympic Legacy has become one of only 50 centres worldwide (and only the second in the UK) to be recognised as part of the International Olympic Committee network of Academic Olympic Studies and Research Centres. The Centre's growing interdisciplinary team of academics and research students is exploring how the Olympics can be more environmentally and socially sustainable and contribute to a positive future for people, society and the environment.

Activity trails help families get active

Team GB Olympians Kate French and Mohamed Sbihi helped to launch two new trails designed by one of our PhD students. The 'Green2Gold' project focuses on green space exercise as a route to tackling health inequalities in East Yorkshire. People often cite the cost of exercise and having insufficient time as barriers to taking part in physical activity, so the trails, which can be found in Victoria Dock in Hull and Valley Gardens in Withernsea, were devised as a 'stealthy' way to get fit.



Creative freedom

A new three-year partnership with Freedom Festival offers our students and staff the chance to take part in a range of creative learning, work experience and leisure opportunities. The partnership builds on a long-standing relationship between the University and the annual international arts festival, which is named after Hull's association with the abolition of the slave trade. In 2022, two students undertook internships with the Freedom Festival core production team and the University contributed to a range of events in the Festival programme, including online freedom debates and an exhibition using textiles and sound to explore Hull's watery histories and future. Future plans for the partnership include year-long and summer student internships, events and artist residencies on campus and guest lectures by members of the Festival's international artist networks.

Solidarity with Ukraine

June 2023 marked the first anniversary of the University's partnership with Mariupol State University (MSU). Our initial focus has been to assist MSU staff and students with English language support at their new base in Kyiv, and, using funds donated by our staff and alumni, to refurbish and supply equipment for their temporary base. Supported by funding from Research England, we are now bringing

MSU and Hull academic researchers together to discuss joint research projects, providing support for library development and delivering workshops for MSU research students.

Images of the ruins of MSU feature in a major new photographic exhibition documenting the war in Ukraine that opened at our Art Gallery in July 2023. *Ukraine: The Price of Freedom* presents the work of leading war photographers and photojournalists, including Pulitzer Prize winners Evgen Maloletka and Rodrigo Abd, and was co-curated by the University with journalist and editor Olena Hatton and author, historian and film-maker Alec Gill. Capturing the devastation of the conflict alongside scenes of remarkable bravery and hope, the exhibition offers a moving and inspiring portrayal of the exceptional resilience and spirit of Ukraine's soldiers and citizens.

As a University of Sanctuary, we are honoured to be hosting Research Fellow Dr Gennadii Meltsov as part of the British Academy Researchers at Risk Fellowships programme, which supports academics fleeing the war in Ukraine. Dr Meltsov, an engineer, designer and inventor, has collaborated with Hull academics on developing marine-based green energy solutions since 2013. Now based in our Energy and Environment Institute, Dr Meltsov is able to continue his work tackling the world's most serious climate change problems.

Exhibition changes perceptions

Part of an ongoing collaboration between our Wilberforce Institute, the Hull Afro-Caribbean Association and Hull Museums, an exhibition challenging public perceptions of Sierra Leone took place at Hull's Streetlife Museum during Black History Month in October 2022. The co-created exhibition featured images selected and reinterpreted by members of the Hull Afro-Caribbean Association from the photography of British soldier Fred Birken, who documented his time in Sierra Leone during the Second World War. Illustrating less well-known elements of the rich culture and heritage of the people of Sierra Leone and Hull's only twin city, Freetown, the exhibition sought to counter portrayals in UK media and public spaces that often focus only on negative aspects of the country's past. A film about the work behind the exhibition was showcased by the UK National Archives as an example of best practice in co-creating heritage with diverse communities.



Knowledge Exchange Framework

Sector-leading research partnerships

The University continues to be recognised as one of the top performers in the Knowledge Exchange Framework (KEF). Drawing on data-based metrics, KEF assesses the performance of universities in knowledge exchange—the process of bringing together academics, users of research and wider communities to exchange ideas, evidence and expertise. Hull is ranked in the top quintile nationally for our research partnerships, our work with the public and third sector, and our contribution to local growth and regeneration. We are ranked in the second-highest quintile for commercialisation and our work with business.

The KEF uses clusters of similar institutions to enable fair comparison across a diverse sector. Hull is grouped with other large, research-intensive and broad-discipline universities undertaking a significant amount of world-leading research, including Durham, Exeter, LSE and York. Across all seven perspectives on which universities are assessed, we are ranked at or above the average for our cluster.

Tackling health inequalities and improving outcomes

From ground-breaking cancer research to supporting retention in the NHS workforce, we are working with partners to enhance the quality of care and improve health outcomes for the people of Hull and beyond.

Our researchers investigating ways to improve diagnosis of pancreatic cancer are pioneering a promising method of testing fluid in pancreatic cysts to allow diagnosis without surgery. The work is supported by a Cancer Research UK Early Detection and Diagnosis Primer Award, and the research team, combining academic and clinical staff from the University, Hull York Medical School and Hull University Teaching Hospitals NHS Trust (HUTH), has been recognised with a HUTH Golden Hearts Award for excellence in research and development.

Better End of Life research funded by the Marie Curie cancer charity and undertaken by a team from our Hull York Medical School, the Cicely Saunders Institute at King's College London and the University of Cambridge has found considerable variation across the UK in the accessibility of essential care that terminally ill people are able to receive at home outside the working week. Concluding that dying people are being left in pain during evenings and weekends, the research has prompted Marie Curie to recommend that every area of the UK should have a designated 24/7 palliative and end of life care telephone line and that investment in a sustainable workforce is required to be able to meet the needs of dying people in our ageing population.

Working in partnership with Hull University Teaching Hospital NHS Trust, our researchers have shown that group-based pulmonary telerehabilitation is feasible, safe and well-received by people recovering from COVID-19, leading to benefits for both their physical and mental health. By delivering it online, the exercise and

education programme becomes more accessible, inclusive and cost-effective for participants. The team behind the study is also supporting research and evaluation of East Yorkshire's Long COVID Rehabilitation Programme.

We have collaborated with colleagues at Yanshan University in Qinhuangdao, Tongji University in Shanghai and UK industrial partners to develop new wearable and handheld health monitoring devices. Accurate and reliable enough to be suitable for medical purposes, but able to be operated by patients at home, the non-invasive devices will address growing pressures on public healthcare systems by offering remote health monitoring as well as providing reassurance to patients.

Working with seven regional leads and their communities of practice, we have led the development of the new National Preceptorship Framework. Launched in autumn 2022 by the Chief Nursing Officer for England, the Framework is designed to provide the structured support for newly registered practitioners that is critical to the retention of nursing staff.

Propelling the future of renewable energy

Funded by the UKRI Prosperity Partnership programme, our £7.7 million partnership with the universities of Durham and Sheffield and global energy companies Siemens Gamesa Renewable Energy and Ørsted is working to make the production of wind energy more economical and reduce the UK's reliance on fossil fuels. Among the projects within the partnership, a team of researchers from our School of Engineering has developed new monitoring methods for use during the manufacture of wind turbine blades, leading to improved quality and reduced waste.

“ Findings from our research were instrumental in the Government's decision to commission the national service for delivering alerts in the event of life-threatening emergencies.

UK emergency alert system pioneered in Hull

Our researchers played a pioneering role in developing the emergency alert messaging system trialled across the UK in April 2023. Working with the Cabinet Office, the Environment Agency, Fujitsu and EE, our Flood Innovation Centre team conducted a field-test of the cell broadcast system on our campus in 2019. The findings from our research were instrumental in the Government's decision to commission the national service for delivering alerts in the event of life-threatening emergencies, such as severe flooding, fire or extreme weather.

Astrophysics breakthrough offers new way of observing the universe

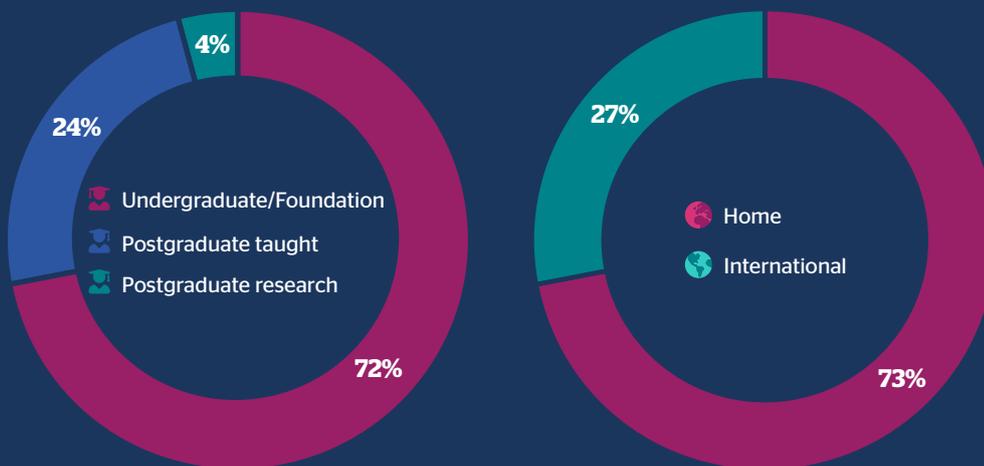
Our EA Milne Centre for Astrophysics contributed to the design and operation of research that has provided the first evidence of the gravitational wave signal predicted by Einstein's theory of general relativity. The research drew on 15 years of astronomical data on pulsars acquired by NANOGrav (the North American Nanohertz Observatory for Gravitational Waves), an international collaboration of almost 200 scientists. The findings unlock the potential for future research using gravity itself to advance our understanding of the formation and evolution of our universe.

Our Performance

Student profile

Standard provision 12,942

Foundation, undergraduate, postgraduate taught and postgraduate research degrees



Hull Online 1,087

Part-time postgraduate taught programmes delivered online

Other provision 1,141

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

Collaborative provision 2,443

Validated provision at partner institutions

Student data:

Headcount as at 1 December 2022 census; standard provision excludes Hull Online, degree apprenticeships, distance taught, exchange programmes, short courses and collaborative or franchised provision delivered by partner institutions.

Student diversity

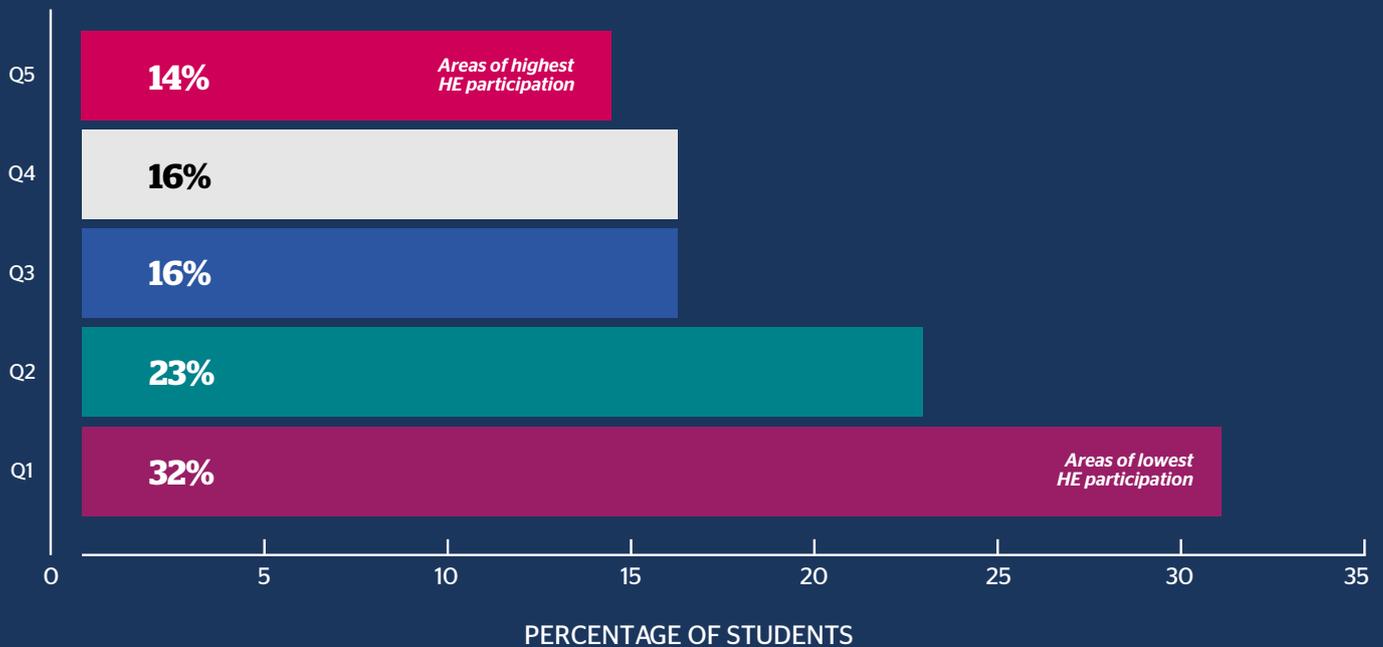
32.6% students of Black, Asian and minority ethnic origin

15.1% students known to have a disability

37.5% mature students (aged 21 or over)



Participation of Local Areas (POLAR4) quintiles



Student diversity data:

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

Our Performance

Key Performance Indicators

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



Our **GOLD** rating in the **Teaching Excellence Framework (TEF)** recognises that the student experience and student outcomes across our undergraduate programmes are typically outstanding.

This rating was awarded in 2023 for four years.



Top 20 student experience

95%

of our graduates are in work or further study 15 months after graduation, with 78% in high-skilled employment and/or graduate-level study¹

In the 2023 **National Student Survey (NSS)**, our positivity score exceeded the Office for Students benchmark on 25 of the 27 questions. We exceeded the higher education sector average on 24 questions, including twelve where our positivity score is in the top quartile.

In analysis by Times Higher Education that combines the NSS results into a single overall positivity measure, we are ranked 20th out of the 114 providers with at least 1,000 survey responses.

We scored most highly in the following areas:

- How good our teaching staff are at explaining things (94% of students responded positively)
- How well our library resources support student learning (91%)
- How well our IT resources and facilities support student learning (87%)

Relative to the sector, our highest ranked questions concern student voice and assessment and feedback. We are ranked 18th (out of 161 higher education institutions) for the extent to which we provide opportunities for our students to give feedback on their course and 22nd for how clear it is that we act on this feedback. We are also ranked 21st for the clarity of our marking criteria and 24th for how well assessments allow our students to demonstrate what they have learned.



¹ Graduate Outcomes 2020/21

4th in the region

We are ranked 4th among the universities in the Yorkshire and the Humber region by both the Times and the Daily Mail league tables.

While we saw falls in our rank in the Complete University Guide and Guardian league tables this year, we maintained our position in the Times and were ranked 45th in the new Daily Mail University Guide.

We have continued our upward trajectory in the Times Social Inclusion Ranking for England and Wales, rising by 4 places to be ranked 12th out of 115 institutions.

| | |
|------------------------------------|-----------------|
| Daily Mail University Guide | 45 (new) |
| Times Good University Guide | 67 (0) |
| Complete University Guide | 76 (-18) |
| Guardian University Guide | 89 (-30) |

Top 100 global impact

We are ranked in the global top 100 on four Sustainable Development Goals (SDGs) in the 2023 **Times Higher Education Impact Rankings**:

- *Reduced Inequalities* (ranked joint 40th globally and joint 19th in the UK)
- *Climate Action* (ranked joint 48th globally and 13th in the UK)
- *Life Below Water* (ranked joint 64th globally and joint 10th in the UK)
- *Partnership for the Goals* (ranked joint 71st globally and joint 17th in the UK).

Overall, the University is ranked in the 101-200 group (out of 1,591 institutions).

In the 2024 **QS World University Rankings**, Hull is ranked joint 118th on the new sustainability metric, which evaluates the social and environmental impact of institutions. We are ranked joint 523rd (out of 1,503) overall, the University's highest position since 2013.

We are ranked in the 401-500 group in the 2024 **Times Higher Education World University Rankings**. In this global league table of 1,904 institutions, we are ranked particularly highly for our international outlook (ranked 185th) and research quality (ranked 456th). Among the 104 UK institutions appearing in the 2024 edition, Hull is ranked joint 44th, our highest ever domestic ranking in this league table.

World-leading research

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

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

Globally, our research in 12 disciplines is ranked among the top 500 in the world, with Nursing ranked in the top 100, Oceanography ranked in the top 200, and Geography and Sports Science ranked in the top 300.²



£14.9 million
research grants and contracts income

£2.7 million
income from enterprise activity

² ShanghaiRanking Global Ranking of Academic Subjects 2023; the University's contribution to Sports Science features within the Hospitality and Tourism Management subject table

Financial Review

Overview

In what has been a very challenging year, especially in relation to energy costs and high inflation, the University of Hull has been able to show resilience against a significant and material impact and also put good foundations in place in order to move the University forward into the next financial year.

The University achieved growth in total income of 5% in 2022/23 to £208.5m (2022: £198.2m) and this was the first year in which income has surpassed £200m.

Research Grant income has also surpassed all previous years with growth of 18% to £14.9m (2022: £12.6m)

Financial Performance

| Financial summary | 2022/23 £m | 2021/22 £m |
|--------------------------------|---------------|---------------|
| Total income | 208.5 | 198.2 |
| Tuition Fee Income | 128.1 | 124.8 |
| Research Grant Income | 14.9 | 12.6 |
| EBITDA | 26.3 | 35.7 |
| EBITDA as % of Income | 13% | 18% |
| Total Comprehensive (Expense) | (4.3) | (24.5) |
| Net Assets | 186.6 | 190.9 |
| Cash & Short Term Investments | 104.3 | 111.2 |
| Pension Liabilities | (86.9) | (87.2) |
| Borrowings | (86.0) | (86.0) |
| Net (Debt) | (67.4) | (8.9) |
| Cash from Operating Activities | 24.3 | 36.0 |

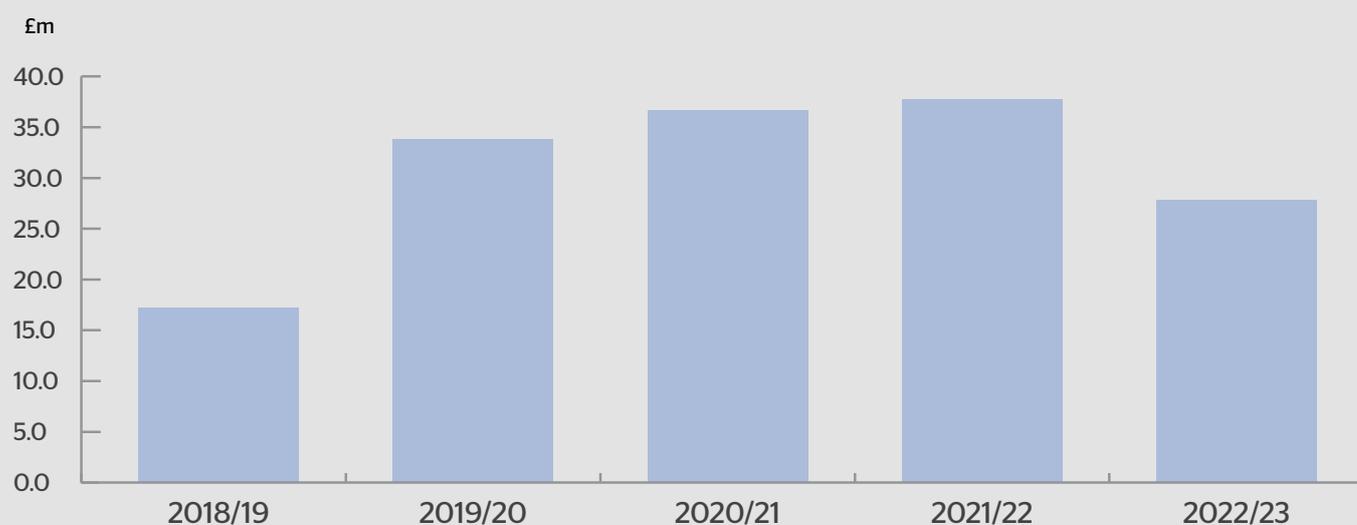
Total income for the year was £208.5m (2022: £198.2m), growth of £10.3m or 5%, of which £128.1m or 61% (2022: £124.8m, 63%) relates to tuition fees. Total expenditure for the year including USS pension provision movements was £207.8m (2022: £229.6m) and £212.4m (2022: £191.1m) excluding the USS pension provision movements. Staff costs before fundamental restructuring costs and excluding the impact of USS pension movements were £112.6m (2022: £104.2m). Operating expenses were £63.6m (2022: £56.0m).

EBITDA

The following table and graph show the University's financial performance on an Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) basis. Adjusted EBITDA is a measure of operating performance, eliminating the effects of financing and accounting decisions to enable more meaningful comparison between organisations. The financial impact of rising energy costs and inflationary pressures is the main driver for the EBITDA reduction when compared to 2022.

| EBITDA | 2022/23 £m | 2021/22 £m |
|--|---------------|---------------|
| Surplus/(deficit) before other gains & losses | 0.7 | (31.5) |
| Interest & other finance costs | 5.9 | 2.8 |
| Investment income | (2.7) | (0.6) |
| Depreciation & amortisation | 29.5 | 27.5 |
| (Decrease)/increase in USS pensions provision | (4.7) | 38.5 |
| Other pension adjustments | (3.2) | (3.0) |
| Fundamental restructuring staff costs | 0.8 | 0.8 |
| Exceptional items | 0.0 | 1.2 |
| | 26.3 | 35.7 |

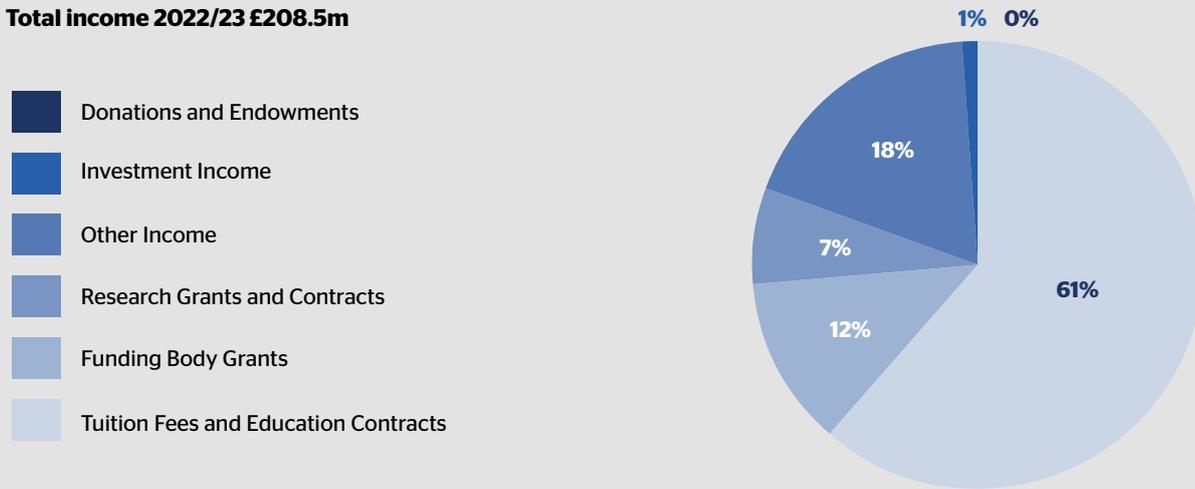
EBITDA



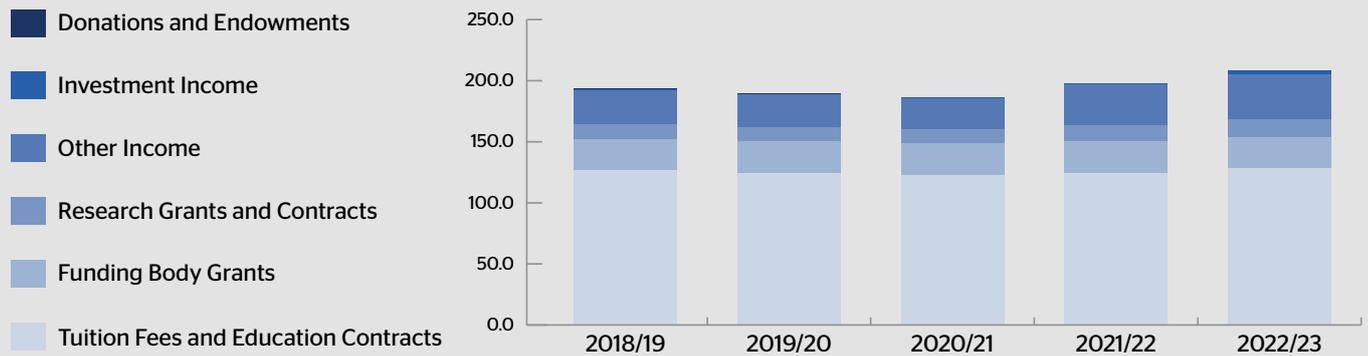
Income & Expenditure

The following charts illustrate the University's financial performance:

Total income 2022/23 £208.5m



Total income by category



Total tuition fee income increased by 2.7% to £128.1m (2022: £124.8m). Income from full time overseas students rose by 23.3% or £8.2m as the University extended its reach in international postgraduate student markets but experienced a reduction in full-time home students, where tuition fees have fallen by 3.0% or £2.5m.

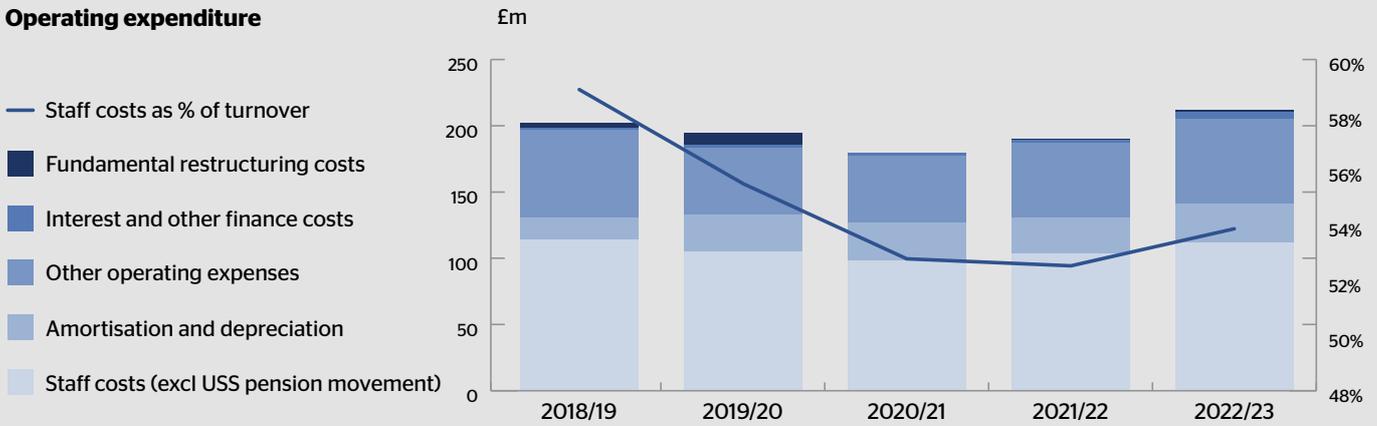
Research income by source



Research grants and contracts income has increased by £2.2m, an 18% increase from 2022. Funding from local authorities, health and hospitals has increased by 41% to £2.7m.

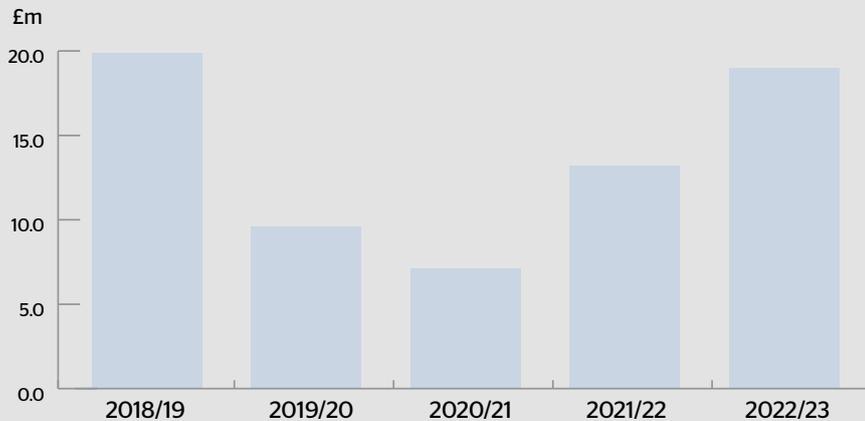
Research awards increased by 95% to £18.5m (2022: £9.5m).

Operating expenditure



Staff costs excluding USS pension adjustments have increased by 8.0% from 2022 which equates to 54% of income (2022: 52.6%). Fundamental restructuring costs were £0.8m (2022: £0.8m). Other operating expenses have increased by £7.6m to £63.6m (2022: £56.0m) as a result of a £7.5m increase in energy costs. Depreciation, including service concession arrangements, has increased by 7.6% to £29.5m (2022: £27.5m).

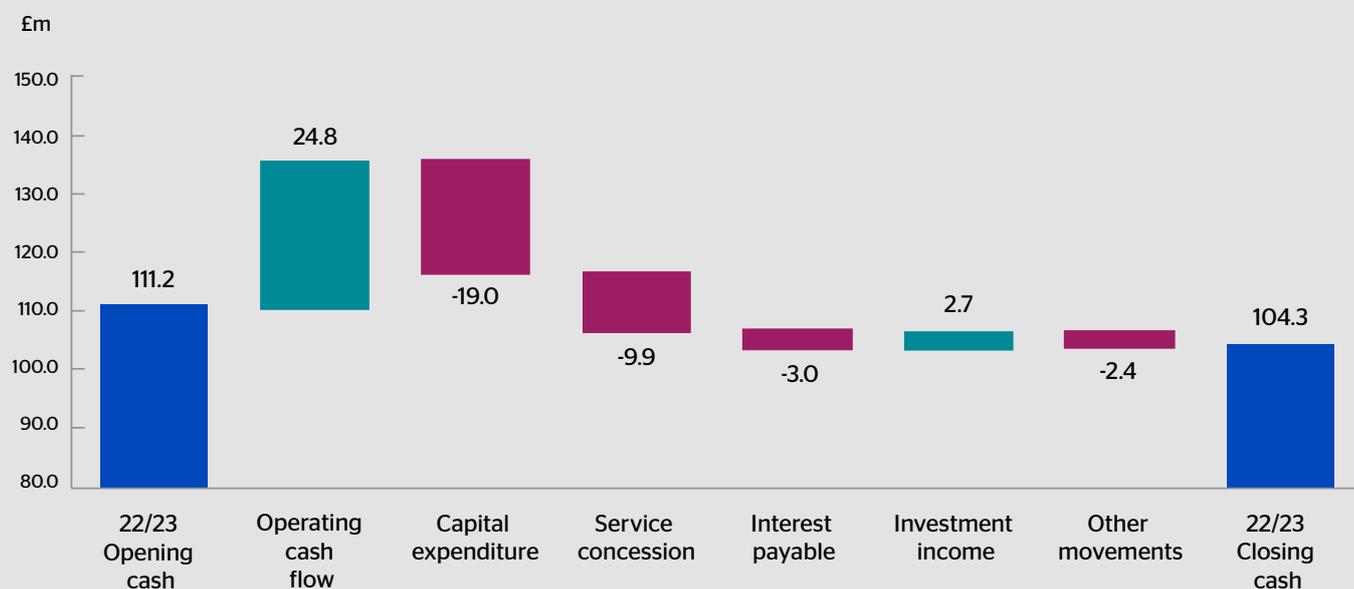
Capital expenditure (excl service concession)



Capital expenditure excluding service concession arrangements has increased by 43.7% to £19.0m (2022: £13.2m) as a result of increased expenditure in both Estates and IT projects, including the new-build facility housing the largest computational teaching facility space on campus for students studying the new MSc Artificial Intelligence and Data Science course.

Cash Flow, Liquidity and Debt

The waterfall graph below shows the main cash movements from 31 July 2022 to 31 July 2023. The opening and closing values include cash and cash equivalents and also short term investments (deposits maturing in one year or less).



The University generated £24.8m (2022: £36.0m) of cash inflows from operating activities. Cash at bank and short-term investments totalled £104.3m (2022: £111.2m) at the year end.

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

Short-term investments increased by £51.7m to £85.8m (2022: £34.1m) in line with treasury management principals to generate improved returns.

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 2023 the liquidity days cover was 216 days (2022: 253 days).

The debt held at the year end is £86.0m (2022: £86.0m) and relates solely to the loan notes issued in 2022.

Pensions

Pension liabilities have reduced to £86.9m (2022: £87.2m):

- £63.1m USS agreed deficit recovery plan (2022: £65.6m);
- £23.8m University of Hull Pension and Assurance Scheme (UHPAS) (2022: £21.6m); and
- £0.0m North Yorkshire Pension Fund (NYPF) (2022: £0.0m)

The USS pension provision has reduced by £2.5m (2022: £38.5m increase). This reduction is in respect of the valuation of the scheme as at 31 March 2020, which concluded in September 2021. The 2023 valuation is currently being consulted upon and whilst the valuation position has materially improved since the 2020 valuation, any changes as a result will be reflected in the pension provision for the year ended 31 July 2024. The UHPAS pension liability provision has increased by £2.2m compared to a reduction of £8.5m in 2022.

Going Concern

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

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

At 31 July 2023, the University held cash and cash equivalents of £104.3m, was compliant with all financial covenants and the RCF was unutilised.

The University Council have considered cash flow forecasts to 31 July 2025, a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the University Council is of the opinion, taking account of a base case forecast and also severe but plausible downsides as well as an extreme reverse stress test scenario, that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2025.

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

- home UG recruitment targets not achieved
- increased attrition
- a cyber attack
- increased energy costs and continued high inflation

A more severe, but still plausible, scenario modelled assumes a significant reduction in International PGT students.

An extreme reverse stress test scenario assumes a limit on International student numbers due to visa restrictions along with a further increase in energy costs and continued high inflation. This extreme reverse stress test would result in a potential breach of two of the financial covenants. It is considered highly unlikely that such a combination of scenarios would occur simultaneously.

The University has identified a range of mitigating actions it can take to reduce costs and respond to adverse scenarios should they arise, as evidenced in recent years.

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

Taking account of the analyses of sensitivities of the financial projections, the revolving credit facility, the University's ability to pay its debts as they fall due and to meet its ongoing financial covenants for the foreseeable future (being the period to the end of July 2025), the University Council confirms that it is appropriate that these financial statements are prepared on a Going Concern basis.

Jeremy Hartley
Chief Finance Officer

Principal risks and uncertainties

Our policy and processes for the management of risk are designed to support the University in delivering our ambitious Strategy 2030, providing a framework for identifying, assessing and managing risk as we pursue opportunities and take decisions consistent with our Strategy.

Strategy 2030 expands on the University’s vision and, with a focus on People, Place and Partnerships, it articulates the qualities and ambitions that characterise our work to enrich lives and lead creative change at the forefront of environmental sustainability and social justice. Underpinned by academic strategies and supporting strategies, our Strategy positions the University as agile and responsive to the challenges and opportunities afforded by the external context.

Strategy 2030 informs our institutional risk register, with risks clearly linked to strategic objectives. Our approach to risk management seeks to create and protect value. It is

proportionate, iterative and responsive to change, with risks owned at the appropriate level and escalated where additional actions are required.

Oversight and monitoring of institutional risk is provided through the University Council, Audit and Risk Committee and University Leadership Team, and all staff have a responsibility to ensure that risk management is an integral part of any decision-making process.

The current and anticipated principal risks and uncertainties facing the University, and our approach to managing these, are set out below.

| Risk area | Mitigations |
|---|---|
| <p>Financial sustainability</p> <p>A robust financial position is essential for the achievement of our Strategy 2030 objectives and sustained investment in talented staff and infrastructure.</p> <p>The higher education sector faces significant cost pressures arising from the high level of inflation, rising interest rates and maintained increase in energy prices. Meanwhile, home undergraduate tuition fees have remained frozen since 2017.</p> <p>The successful recruitment and retention of students is fundamental to assuring financial sustainability. The legacy of the COVID-19 pandemic continues to have an impact, adding to the competitiveness of recruitment and making it more challenging to forecast future student numbers. Recruitment of international students remains highly dynamic, with political or economic events able to alter rapidly the stability of markets within individual countries.</p> | <ul style="list-style-type: none"> • Dynamic financial planning, including scenario analysis and contingency plans, supported by robust monitoring arrangements • Investment decisions and capital plan informed by a focus on areas of strength that are supported by market demand and meet the needs of our region • Private placement and planned annual surpluses enabling investment in our staff, academic programmes, student support and facilities • Energy saving initiatives and progress towards carbon neutral campus • Student recruitment strategy updated during 2022/23 and project underway to refresh our brand and identity • Increased diversity in international recruitment • Student Experience and Success Strategy, with enhanced retention data monitored by Senior Tutors and Student Success Group |
| <p>Continuous improvement</p> <p>To support our financial sustainability and competitive position in a rapidly changing environment, the University must be able to maximise its opportunities to innovate and adapt. The successful delivery of continuous improvement, and the management of complex project interdependencies, requires robust governance, effective processes and appropriate resource.</p> | <p>Having successfully implemented a significant transformation programme in recent years, we have in place the governance, processes and experience to deliver our Strategy 2030 programme, digital transformation and enhancements to the efficiency and quality of services.</p> <ul style="list-style-type: none"> • Oversight and monitoring via Continuous Improvement Board, reporting to the University Leadership Team • Strategic Projects Office delivering programme management and process improvement capacity • Embedded customer and market insight |
| <p>Carbon neutrality</p> <p>The University has committed to becoming a carbon neutral campus in 2027. Achieving this target is essential to the successful delivery of our Strategy 2030 and mitigation of reputational risk.</p> | <ul style="list-style-type: none"> • Agreed capital programme and private placement funding • Programme of energy saving measures • Progress towards 2027 target monitored by the Sustainability Board and reported to Finance and Investment Committee and Council • Annual Sustainability Report |

Risk area

Mitigations

Political uncertainty

With uneven political recognition of the value of universities as drivers of economic growth and public good, developments in higher education policy and regulation continue to create uncertainty and challenge.

For example, at the time of writing, the sector awaits further clarity on the implementation of the Lifelong Learning Entitlement and Freedom of Speech (Higher Education) Act. Similarly, the impact of the forthcoming restrictions on dependent visas for international students and lower fee cap for some Foundation Year programmes cannot yet be quantified.

Despite the significant decline in the value of the undergraduate tuition fee cap, there appears to be little political will to engage with the sustainability of the higher education funding model.

The war in Ukraine and situation in Gaza continue to have a devastating humanitarian impact and the long-term influence of these conflicts on wider geopolitics is unclear.

- Active engagement, particularly through our Vice-Chancellor, in national policy discussions and in maintaining productive relations with local and national politicians
- Regular reports on higher education policy to University Council
- Regulatory compliance overseen by the University Leadership Team, reporting to Audit and Risk Committee as required
- Support provided to students and staff from those regions affected by conflict
- Long-term partnership being developed with Mariupol State University

Pay and pensions

The University participates in several pension schemes and must balance future affordability with appropriate retirement benefits for our staff.

Following a significant improvement in the financial position of the USS, it is anticipated that the outcome of the 2023 valuation will allow benefits to be restored to pre-2022 levels while reducing contribution rates for members and employers from April 2024.

Members of the University and College Union (UCU) continue to engage in industrial action as part of the national dispute with regard to pay and conditions.

- Engagement with Trustees and national bodies and regular updates to University Council on pensions issues
- Work in progress to review and develop the University's reward and recognition strategy
- Revised grade boundaries at lower end of single pay spine implemented from 1 August 2023, providing pay uplift for the majority of staff on bands 1 to 5 and ensuring that all spine points used by the University exceed the Real Living Wage
- Business continuity framework provides an established approach for responding to industrial action

Cyber security

Robust and fit for purpose policies and procedures relating to security in IT, research and international activities are required to address the cyber security challenges manifest in an increasingly digital education and research environment.

- Ongoing work to strengthen our approach to data governance and security, implementing best practice across the management of our IT assets and data
- Oversight and monitoring of our Data Strategy and cyber security provided by the Information Governance Committee, with regular reports also provided to Audit and Risk Committee
- Recently agreed capital investment of £1.17 million in cyber security measures to respond to actions identified by internal audit
- Cyber insurance

Incident management

The coronavirus pandemic provided an illustration of the ongoing need for the sector to prepare for and respond appropriately to serious incidents to mitigate harm to individuals, property, finances or reputation.

While no longer a pandemic, COVID-19 remains a significant health concern for vulnerable people and continues to have an impact on sector finances as well as individual choices and mental health.

There is a growing risk of incidents arising from the impact of climate change.

- Robust business continuity planning framework enhanced during COVID-19 pandemic and due to be reviewed further during autumn 2023
- COVID protocols remain available to be reactivated, if required

Environmental, Social and Governance Review

In the face of the mounting climate emergency and deepening social injustices, Strategy 2030 defines the fight for a fair and sustainable future as a core purpose of our institution: from driving change within our own University to tackling the inequalities in education, health and economic development that persist around the world. The intersection between sustainability and social justice is particularly important to us, as we seek to address the inequitable impact of climate change and embed fairness in the pursuit of net zero.

This Review highlights examples of how our values – inclusive, empowering, progressive – underpin our work to advance environmental sustainability and social justice on our campus and across our local and global communities. A fuller account of this work and progress towards our 2027 carbon neutral target is presented in our annual Sustainability Report.



Environmental sustainability

A carbon neutral campus

We continue to make good progress towards our ambitious goal of becoming a carbon neutral campus in our centenary year. We remain on track to meet the targets we have set for the reduction of our scope 1 and 2 carbon emissions over the period to 2027. Solar panels on our brand new Centre of Excellence for Data Science, Artificial Intelligence and Modelling join existing rooftop arrays on other campus buildings and the Aura Innovation Centre, providing increased capacity to generate our own clean energy. Work is continuing to develop our proposals for the construction of further solar farms on campus and at sites within our local area.

We are also working on reducing our scope 3 emissions. This year, we appointed a new travel provider, who is supporting us to monitor and reduce our travel carbon footprint. We have also installed twenty new EV charging stations, increasing the opportunity for our staff and students to charge their electric vehicles when they travel to campus.

Enhancing the biodiversity of the University campus forms a further important strand of our 2027 carbon neutral goals. Over the last year, activities have included the installation of insect houses and bird boxes around campus, sowing one of our main lawns with white clover to provide a more sustainable and bee-friendly habitat, and supporting our students to create their own vegetable garden next to Student Central.

New e-learning course on environmental sustainability

We have launched an online course for our staff, providing an introduction to climate change and sustainable energy, waste management and biodiversity. The course helps participants understand why sustainability matters, how we are improving our environmental performance and the positive actions they can take to support our net zero targets.

Presents for the Planet

As we approached the end of 2022, staff and students were urged to join the season of goodwill by thinking about how they can give back to our planet. To support the changes in behaviour required to achieve a sustainable future, we held a series of challenges and giveaways designed to help our people consider how they act in daily life. For example, a bus ticket giveaway encouraged people to leave cars at home, people were challenged to give up using the lift in the Library and use the stairs instead, and there was a chance to drop off pre-loved items and swap and shop at a popup store on campus.

People and Planet

We were classified as a 1st Class University and ranked 24th (out of 153 institutions) in the 2022/23 People and Planet University League, with particular strengths highlighted in our approaches to education for sustainable development, carbon reduction and use of renewable energy sources.

Funding our sustainable university

During 2022, the University secured private placement funding of £86 million to support our plans to achieve a carbon neutral campus and invest in sustainable academic facilities and infrastructure. Funding was allocated in May 2022 against two previous capital projects qualifying under the Green Buildings category of our Green Finance Framework. No allocations against the private placement funding were made during the 2022/23 financial year.

In spring 2023, the University Council approved a proposal to establish our Revolving Credit Facility as a sustainability-linked loan. This reflects our commitment to placing sustainability and social justice at the heart of all we do, including our financing strategy, and sets challenging targets for our performance on reducing our carbon emissions, waste and gender pay gap.

Our annual *Sustainability Report* provides further details on our Green Finance Framework and progress against our sustainability-linked loan performance indicators.

Microplastics research leads the way

A team of our researchers has demonstrated for the first time that microplastics can cross biological barriers into human tissue, finding 15 microplastic particles per gram in veins taken from the legs of patients undergoing heart bypass surgery. The types and levels of microplastics found will inform further studies to determine their impact on vascular health. In separate research, high levels of microplastics have been discovered in surgical environments, with levels in an operating theatre while it is in use almost three times those found in our homes. The research has led to calls for hospitals to consider the use and packaging of single-use instruments.

A University of Hull research student is leading a study exploring the volume and impact of microplastic pollution on the coral reefs of the Con Dao islands in Vietnam. Although considered a pristine paradise, Con Dao is highly influenced by water flowing from the Mekong, one of the most polluted rivers in the world. Part-funded by the National Geographic Society, the study aims to provide evidence to underpin the conservation of Con Dao and other coral ecosystems.



Green toolkit for a new space economy

The UK Space Agency is funding a project led by our Treated Spaces Research Group to design a toolkit for the UK space sector to assess the environmental and social impact of its activities. Researchers in History, Indigenous Studies, Law, Physics, Cybersecurity and User Design from the universities of Hull, Edinburgh, Southampton and York St John are developing the toolkit, which will be used by UK space enterprises to navigate the regulatory landscape and reduce their adverse impact on the planet and human society.

Citizen scientists help researchers monitor coastal change

Our Energy and Environment Institute has launched the first phase of its ActiveLearning Photopost Project, which turns citizens into research scientists. In partnership with East Riding of Yorkshire Council, and linked to the global CoastSnap programme, the project also takes advantage of our local 'blue spaces' to improve active recreation and mental wellbeing. People are encouraged to explore trails along the East Yorkshire coast while capturing specified views on camera. The submitted photos will help us monitor the changing coastline in our region, from the effects of coastal erosion to longer-term changes in sea levels.

Cutting the carbon footprint of the agricultural sector

Investigating ways to challenge the threat posed to cereal crops by black grass has been the focus of researchers from our Business School and Aura Innovation Centre. The herbicide-resistant weed costs UK farmers half a billion pounds in gross profits each year, destroying enough wheat to bake 1.5 billion loaves of bread or brew eight billion pints of beer. The team has used machine learning technology to monitor the growing cycle of the weed, helping farmers optimise chemical and fertiliser use and, in turn, reduce the carbon footprint associated with the treatment. The tools developed by our researchers can be used to map the entire carbon footprint of UK agricultural supply chains.



Sharing our insight on the global stage...

Following our significant involvement in COP26 last year, the University was proud to be represented at the COP27 United Nations climate summit in Egypt in November 2022. Our delegation of experts in low-carbon energy, flood resilience and sustainability attended the Blue Zone (the UN-managed space hosting the negotiations) to highlight the University's work during themed days on water, gender, energy, biodiversity and climate change solutions.

Reflecting the growing challenges climate change poses for our relationship with water, the United Nations convened a water conference at its New York headquarters this March, the first such event it has held since 1977. A team from the University participated in the conference, making links with researchers from across the world and showcasing our Risky Cities project, which uses arts, humanities and social sciences to deliver innovative community engagement on flood risk and climate change, and our SuDSLab living lab, which uses our campus as a testbed for sustainable drainage systems.

...and bringing diverse voices to a Hull stage

In July, our multi-disciplinary Sustainable Development Conference brought together Hull, UK and international researchers to explore the challenges of achieving a just transition to a more sustainable society. Presentations and panel discussions considered topics including sustainable heating and cooling, partnerships for environmental resilience and embedding sustainability and social justice in city planning.

Our Aura Centre for Doctoral Training (CDT) programme in offshore wind energy, delivered in partnership with the universities of Durham, Newcastle and Sheffield, is developing the future leaders in this pioneering technology. At this year's Aura CDT conference, 'Transitioning to clean energy', keynote speakers from industry came together with leading academics and the CDT's rising research stars to share the latest research on solving the engineering and environmental challenges facing the offshore wind industry.

Social justice and inclusion

Leading equality, diversity and inclusion

Established this year to succeed the Social Justice and Inclusion Board, our new Equality, Diversity and Inclusion (EDI) Governance Board and supporting committee structure are enabling more people to get involved in providing leadership, drive and strategic direction for our EDI work. This is an exciting step towards ensuring that all colleagues have a voice and can contribute to making the University an inclusive place to work.

Our inaugural Equality, Diversity and Inclusion conference in June focused on race equality and intersectionality. The conference offered our students and staff the opportunity to engage with a range of award-winning and motivational guest speakers, who shared their experiences in education and employment. Thought-provoking discussions exploring themes of allyship, politics, perception, barriers and privilege provided inspirational lessons for creating positive change through our day-to-day actions.

Fostering empathy and understanding within our diverse community

Our Human Library is shedding light on the lived experience of our students and staff. The collection of short videos features people talking about a stigma they have faced due to a personal difference, including race, disability, religion and sexuality. Through sharing their story, the human 'books' help build mutual understanding, encouraging us to challenge our own unconscious bias, overcome stereotypes and build a more inclusive society.

Scholarships to support people underrepresented in AI

The University was one of thirty providers to be awarded funding by the Office for Students in the second round of a scheme to help groups that are underrepresented in artificial intelligence and data science gain skills required to enter the industry. Building on our success in the initial round of the scheme in 2020, the latest award of £690,000 will support 50 further scholarships over the next two years for women, black students, disabled students and those from low socioeconomic backgrounds to study on our MSc AI and Data Science programme.

A university of sanctuary

We were honoured to be reaccredited as a University of Sanctuary in July 2023, in recognition of our ongoing efforts to foster an accessible, welcoming and supportive environment for people seeking sanctuary in the UK. Among the aspects of our work commended by the appraisal panel was our commitment to community engagement, exemplified this year by our Festival of Language, Community and ESOL. This month-long programme of intensive English language classes and community-building activities for refugees and asylum seekers was delivered through collaboration between our academics, students, community partners and the learners themselves.

The panel also praised our Undergraduate Refugee Scholarship scheme, which was introduced in 2022 to complement our existing scholarships for asylum seekers and provides support for those who are denied access to student finance as a result of interrupted education undertaken outside the UK.



Inspired in Hull award winners

Inclusive

Winner for External Community Engagement: Deborah Robinson, Faculty Director of Professional External Engagement, Faculty of Health Sciences

Deborah was recognised for her commitment to widening participation in health and social care education. She serves as an exemplary role model in her work supporting those from across our region who are least likely to have the opportunity or ambition to enter higher education.

Prestigious Ministry of Defence award

The University has been awarded silver status as part of the Ministry of Defence's Employer Recognition Scheme. The scheme encourages employer support of the armed forces community, and our award recognises the support and development opportunities we offer to staff who are current, former or associated military personnel.

“ Findings of a landmark investigation led by our Wilberforce Institute into the Guardian's historical connections with transatlantic slavery have prompted the paper's owners to issue an apology and outline a £10 million programme of restorative justice.

Research links global media company to historical slave trade

The findings of a landmark investigation led by our Wilberforce Institute into the Guardian's historical connections with transatlantic slavery in the Americas were published in April. Part of the newspaper's *Cotton Capital* series, the research has prompted the Scott Trust, owners of the Guardian Media Group, to issue an apology and outline a £10 million programme of restorative justice, including a three-year partnership with our Wilberforce Institute to build on the research.

Supporting mental wellbeing in our local communities

Seven new community projects developed in partnership with University of Hull researchers are benefitting from an investment of £267,000 from The Ideas Fund. Funded by the British Science Association and the Wellcome Trust, The Ideas Fund is an innovative grants scheme enabling community groups and academics to collaborate on ideas to improve mental wellbeing. The latest grants are supporting work with a diverse range of groups, including visually impaired children, people with a learning disability, people with experience of addiction and families living with acquired brain injury. Twenty Hull-based projects have now received funding across two rounds of the scheme. A celebration event held in July to showcase the first round of projects concluded with a performance of *Safer*, a play developed with local rugby team The Roundheads exploring the barriers that discourage LGBTQ+ individuals from participating in gay and inclusive sports teams.



Corporate governance

Summary of the University's Structure of Corporate Governance

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

The University endeavours to conduct its business in accordance with the seven principles identified by the Committee for Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and has formally adopted the *Higher Education Code of Governance*, published by the Committee of University Chairs (CUC) and updated in September 2020. The University reviewed its compliance with the Code in March 2021 and this was subject to review by internal audit, which confirmed that the University has adopted and is fully compliant with the Code. The University will be undertaking an externally supported review of its governance arrangements in the 2023/24 academic year. The University Secretary and Chief Compliance Officer leads on the University's Governance Action Plan, which is subject to regular review by the University's Governance and Nominations Committee.

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

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

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



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

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

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

The following individuals served on Council between 1 August 2022 and 31 July 2023:

Lay Members:

| | |
|--------------------------------------|----------------------------|
| George Garlick OBE | (Pro-Chancellor and Chair) |
| Ursula Lidbetter OBE | |
| Julia Whittaker | |
| Vanessa Lee | |
| Matt Jukes | |
| Rashmi Rungta | |
| Rosalyn Schofield | |
| Matthew Swindells (until April 2023) | |
| Denise Wilson OBE | |

Non-Lay Members:

| | |
|----------------------------|-------------------------------------|
| Vice-Chancellor | Susan Lea (until 31 August 2022) |
| | Dave Petley (from 1 September 2022) |
| Chief Operating Officer | Neil Robinson |
| A Pro-Vice-Chancellor | Becky Huxley-Binns |
| Senate (appointed member) | Rob Dover |
| Non-academic staff | Heidi Broadhead |
| President, Students' Union | Huey Arslan |

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

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

Council Committees

The Council normally meets five times each academic year, and much of its detailed work is delegated to committees; in particular during 2022/23, the Finance and Investment Committee (chaired by Vanessa Lee), the Remuneration Committee (chaired by Ursula Lidbetter), the Governance and Nominations Committee (chaired by Julia Whittaker) and the Audit and Risk Committee (chaired by Rosalyn Schofield).

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. Building on lessons learnt during the COVID-19 pandemic, the committees have met both in person or in a hybrid format.

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

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

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

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

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

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

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

The University has a Risk Management Policy and a regularly reviewed and updated Risk Register. These were both reviewed in detail during the year and Council approved the latest versions in July 2023. The Audit and Risk Committee monitors the risk management process. See also *Principal risks and uncertainties* (page 30).

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 that 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 that 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 they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Internal Control

Scope of responsibility

The Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding the public and other funds and assets for which it is responsible. This is in accordance with the responsibilities assigned to the Council in the University's Charter and Statutes and the conditions attached to the University's registration with the OfS.

The purpose of the system of internal control

The system of internal control is designed to manage rather than eliminate risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. This is supported by the strategy and operational plans created and delivered by the internal audit team. The University Leadership Team and the Audit and Risk Committee regularly receive updates against the plans, which were approved by Council. The University has appointed RSM to deliver its internal audit activity, providing 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 30).

Review of effectiveness

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

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

The Council's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, who have responsibility for the maintenance of the internal control framework, and by outcomes from external audit activity, which is summarised in their management letter and other reports.





Public benefit

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

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

The University's charitable purposes derive from its Royal Charter to "advance education, scholarship, knowledge and understanding". Principal beneficiaries of the University's 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 2023 was 27 (25.27 FTE). Of these, one employee spent 100% of their time working on facility time. One employee spent between 51% and 99%, 19 spent between 1% and 50% and six 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 0.24%. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 0%.

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

Opinion

We have audited the financial statements of the University of Hull (the 'parent University') and its subsidiaries (the 'group') for the year ended 31 July 2023, which comprise the statement of comprehensive income and expenditure, the statement of changes in reserves, the balance sheet, the consolidated cash flow and notes to the financial statements, including the statement of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent University's affairs as at 31 July 2023 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.

Basis for opinion

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

Conclusions relating to going concern

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 the cost of living crisis, 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.

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.

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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements (Statement of Accounts) and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 relevant terms and conditions; and
- the requirements of the OfS Accounts direction 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 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 has been materially misstated.

Responsibilities of the Council for the financial statements

As explained more fully in the Responsibilities of the Council set out on page 41, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group or the parent University or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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.
- 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;

- We assessed the susceptibility of the group and parent University's financial statements to material misstatement, including how fraud might occur by discussions with management to understand where management considered there is a susceptibility to fraud. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - Identifying and testing journal entries, in particular journal postings relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Challenging judgement and assumptions made by the management in its significant accounting estimates; and
 - 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; and
- The engagement partner assessed the appropriateness of the collective competence and capability 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, and its practical experience through training and participation with audit engagements of a similar nature. All team members are considered to have sufficient knowledge and experience, appropriate to their role within the team.

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

Use of our report

This report is made solely to the University's Council, as a body, in accordance with 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's 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

London

15 December 2023



Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2023

| | Notes | 2023 | | 2022 | |
|---|-------|----------------|----------------|-----------------|-----------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| Income | | | | | |
| Tuition Fees and Education Contracts | 1 | 128,092 | 128,092 | 124,761 | 124,761 |
| Funding council grants | 2 | 25,300 | 25,300 | 25,961 | 25,961 |
| Research grants and contracts | 3 | 14,851 | 14,851 | 12,637 | 12,637 |
| Other income | 4 | 36,904 | 35,839 | 33,480 | 32,710 |
| Investment income | 5 | 2,732 | 2,755 | 596 | 607 |
| Total income before endowments and donations | | 207,879 | 206,837 | 197,435 | 196,676 |
| Donations and endowments | 6 | 627 | 627 | 715 | 715 |
| Total income | | 208,506 | 207,464 | 198,150 | 197,391 |
| Expenditure | | | | | |
| Staff costs | 7 | 107,942 | 106,907 | 142,475 | 141,487 |
| Fundamental Restructuring costs | 7 | 757 | 757 | 799 | 799 |
| Other operating expenses | 9 | 63,694 | 63,999 | 56,021 | 56,625 |
| Amortisation and depreciation | 9 | 29,512 | 29,507 | 27,513 | 27,510 |
| Interest and other finance costs | 8 | 5,902 | 5,902 | 2,839 | 2,839 |
| Total expenditure | | 207,807 | 207,072 | 229,647 | 229,260 |
| Surplus/(deficit) before other gains/(losses) | | 699 | 392 | (31,497) | (31,869) |
| Net gain on assets | 10 | 1,356 | 1,356 | 250 | 250 |
| Impairment of assets | | - | - | (1,020) | (1,020) |
| Share of operating (loss)/surplus in associates | | (73) | - | 1,398 | - |
| Surplus / (Deficit) before tax | | 1,982 | 1,748 | (30,869) | (32,639) |
| Taxation | | (63) | - | (71) | - |
| Surplus / (Deficit) for the year | | 1,919 | 1,748 | (30,940) | (32,639) |
| Other comprehensive income | | | | | |
| Actuarial (loss)/gain in respect of pension schemes | 27 | (4,648) | (4,648) | 8,759 | 8,759 |
| Restriction of pension assets | | - | - | (2,084) | (2,084) |
| Unrealised (loss) on revaluation of investment assets | 10 | (1,536) | (1,536) | (240) | (240) |
| Total comprehensive income for the year | | (4,265) | (4,436) | (24,505) | (26,204) |
| Represented by: | | | | | |
| Endowment comprehensive (expense) for the year | 22 | (218) | (218) | (618) | (618) |
| Restricted comprehensive income for the year | | - | - | - | - |
| Unrestricted comprehensive (expense) for the year | | (4,047) | (4,218) | (23,887) | (25,586) |
| | | (4,265) | (4,436) | (24,505) | (26,204) |

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

Statement of Changes in Reserves

for the year ended 31 July 2023

| Consolidated | Income and expenditure account | | | Total |
|---|--------------------------------|------------|-----------------|-----------------|
| | Endowment | Restricted | Unrestricted | |
| | £'000 | £'000 | £'000 | |
| Balance at 31 July 2021 | 15,770 | - | 199,597 | 215,367 |
| Deficit from the income and expenditure statement | (618) | - | (30,322) | (30,940) |
| Other comprehensive income | - | - | 6,435 | 6,435 |
| Total comprehensive (expense) for the year | (618) | - | (23,887) | (24,505) |
| Balance at 31 July 2022 | 15,152 | - | 175,710 | 190,862 |
| (Deficit)/surplus from the income and expenditure statement | (218) | - | 2,137 | 1,919 |
| Other comprehensive expense | - | - | (6,184) | (6,184) |
| Total comprehensive (expense) for the year | (218) | - | (4,047) | (4,265) |
| Balance at 31 July 2023 | 14,934 | - | 171,663 | 186,597 |

| University | Income and expenditure account | | | Total |
|---|--------------------------------|------------|-----------------|-----------------|
| | Endowment | Restricted | Unrestricted | |
| | £'000 | £'000 | £'000 | |
| Balance at 31 July 2021 | 15,770 | - | 200,196 | 215,966 |
| (Deficit) from the income and expenditure statement | (618) | - | (32,021) | (32,639) |
| Other comprehensive income | - | - | 6,435 | 6,435 |
| Total comprehensive (expense) for the year | (618) | - | (25,586) | (26,204) |
| Balance at 31 July 2022 | 15,152 | - | 174,610 | 189,762 |
| (Deficit)/surplus from the income and expenditure statement | (218) | - | 1,966 | 1,748 |
| Other comprehensive (expense) | - | - | (6,184) | (6,184) |
| Total comprehensive (expense) for the year | (218) | - | (4,218) | (4,436) |
| Balance at 31 July 2023 | 14,934 | - | 170,392 | 185,326 |

Balance Sheet

as at 31 July 2023

| | Notes | 2023 | | 2022 | |
|--|-------|-----------------------|---------------------|-----------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Non-current assets | | | | | |
| Intangible assets | 11 | 8,669 | 8,669 | 10,038 | 10,038 |
| Fixed assets | 12 | 296,835 | 296,540 | 292,739 | 292,923 |
| Investment Property | 13 | 4,422 | 4,422 | 4,325 | 4,325 |
| Investments | 14 | 15,710 | 14,380 | 16,350 | 14,992 |
| | | 325,636 | 324,012 | 323,452 | 322,278 |
| Current assets | | | | | |
| Properties for Sale | 15 | 3,514 | 3,514 | 3,691 | 3,691 |
| Stocks | | 32 | 32 | 32 | 32 |
| Trade and other receivables | 16 | 40,148 | 40,522 | 28,372 | 28,641 |
| Investments | 17 | 85,750 | 85,750 | 34,100 | 34,100 |
| Cash and cash equivalents | 18 | 18,600 | 18,534 | 77,081 | 76,370 |
| | | 148,044 | 148,352 | 143,276 | 142,834 |
| Creditors: Amount falling due within one year | 19 | (72,268) | (72,222) | (58,525) | (58,009) |
| Net current assets | | 75,776 | 76,130 | 84,751 | 84,825 |
| Total assets less current liabilities | | 401,412 | 400,141 | 408,203 | 407,103 |
| Creditors: amounts falling due after more than one year | 20 | (125,882) | (125,882) | (128,845) | (128,845) |
| Provisions | | | | | |
| Pension provisions | 21 | (86,865) | (86,865) | (87,196) | (87,196) |
| Other provisions | 21 | (2,068) | (2,068) | (1,300) | (1,300) |
| Total net assets | | 186,597 | 185,326 | 190,862 | 189,762 |
| Restricted Reserves | | | | | |
| Income and expenditure reserve - endowment reserve | 22 | 14,934 | 14,934 | 15,152 | 15,152 |
| Income and expenditure reserve - restricted reserve | | - | - | - | - |
| Unrestricted Reserves | | | | | |
| Income and expenditure reserve - unrestricted | | 171,663 | 170,392 | 175,710 | 174,610 |
| Total Reserves | | 186,597 | 185,326 | 190,862 | 189,762 |

The financial statements were approved by the University Council on 14 December 2023, and signed on its behalf by:

George Garlick OBE
Chair of Council

Professor Dave Petley
Vice-Chancellor

Consolidated Cash Flow

for the year ended 31 July 2023

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | £'000 | £'000 |
| Cash flow from operating activities | | |
| Surplus/(deficit) for the year before tax | 1,982 | (30,869) |
| Adjustment for non-cash items | | |
| Depreciation | 27,091 | 25,225 |
| Amortisation of intangibles | 2,421 | 2,288 |
| (Gain)/loss on endowment investments | (382) | 222 |
| Loss on investment property | - | 106 |
| (Increase) in stock | - | (10) |
| (Increase) in debtors | (11,776) | (1,870) |
| Increase in creditors | 15,296 | 8,130 |
| (Decrease)/increase in pension provision | (331) | 29,292 |
| Actuarial (gain)/loss in respect of pension schemes | (4,648) | 6,675 |
| Increase in other provisions | 768 | 89 |
| Expenditure on capital WIP written of | 374 | - |
| Impairment of assets | 228 | 1,020 |
| Adjustment for financing activities | | |
| Investment income | (2,732) | (596) |
| Interest payable | 3,038 | 2,107 |
| Endowment income | (4) | (31) |
| (Loss)/profit on the sale of fixed & current assets | (1,584) | 113 |
| Loss/(profit) on share of associated undertakings | 73 | (1,398) |
| Capital grant income | (4,986) | (4,463) |
| Cash flows from operating activities | 24,828 | 36,030 |
| Taxation | (63) | (71) |
| Net cash inflow from operating activities | 24,765 | 35,959 |
| Cash flows from investing activities | | |
| Proceeds from sales fixed and current assets | - | 1,250 |
| Capital grants receipts | 2,462 | 1,039 |
| (Increase) in deposits | (51,650) | (27,000) |
| Investment income | 2,732 | 596 |
| Payments made to acquire fixed assets | (32,704) | (23,438) |
| Payments made to acquire intangible assets | (1,052) | (931) |
| | (80,212) | (48,484) |
| Cash flows from financing activities | | |
| Interest paid | (3,038) | (2,107) |
| Endowment cash received | 4 | 31 |
| New Loans | - | 86,000 |
| Repayment of amounts borrowed | - | (29,250) |
| | (3,034) | 54,674 |
| (Decrease)/increase in cash and cash equivalents in the year | (58,481) | 42,149 |
| Cash and cash equivalents at beginning of the year | 77,081 | 34,932 |
| Cash and cash equivalents at end of the year | 18,600 | 77,081 |

Statement of Principal Accounting Policies

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

1. Accounting convention

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

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

2. Change in accounting policy

In 2022, the University issued a private placement of loan notes, with three series – A, B and C. The Series B loan notes include a clause that would cause the loan notes to be classified as 'non-basic' in accordance with FRS 102 Sections 11 and 12, which would result in the Series B loan notes being measured at fair value through profit and loss. The Series A and C loan notes would be classified as 'basic' and measured at amortised cost.

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

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

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

3. Exemption under FRS 102

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

4. Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings Lampada Digital Solutions Ltd and UoH Energy Co Ltd, together with the share of the results of its associate for the financial year ended 31 July 2023. Intra-group transactions are eliminated on consolidation.

Associated companies are accounted for using the equity method.

5. Going concern

The financial statements are prepared on a going concern basis, with forecasts approved by the University Council and as per the Strategic Review and Financial Review, which include 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 throughout the Financial Statements and accompanying notes.

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

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

At 31 July 2023, the University held cash and cash equivalents of £104.4m, was compliant with all financial covenants and the RCF was unutilised.

The University Council have considered cash flow forecasts to 31 July 2025, a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the University Council is of the opinion, taking account of a base case forecast and also severe but plausible downsides as well as an extreme reverse stress

test scenario, that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2025.

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

- Home UG recruitment targets not achieved
- increased attrition
- a cyber-attack
- increased energy costs and continued high inflation

A more severe, but still plausible, scenario modelled assumes a significant reduction in International PGT students.

An extreme reverse stress test scenario assumes a limit on International student numbers due to Visa restrictions along with a further increase in energy costs and continued high inflation. This extreme reverse stress test would result in a potential breach of 2 of the financial covenants.

The University has identified a range of mitigating actions it can take to reduce costs and respond to adverse scenarios should they arise, as evidenced in recent years.

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

Taking account of the analyses of sensitivities of the financial projections, the revolving credit facility, the University's ability to pay its debts as they fall due and to meet its ongoing financial covenants for the foreseeable future (being the period to the end of July 2025), the University Council confirms that it is appropriate that these financial statements are prepared on a Going Concern basis

6. Recognition of income

(i) Grant funding

Revenue grant funding including Office for Students block grant, research grants from government sources and all grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and where performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors, on the Balance Sheet, and released to income as the conditions are met.

(ii) Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed recognised in income when the University is entitled to the funds. Income is retained within the restricted

reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves, through a reserve transfer.

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

(iii) Capital grants

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

(iv) Fee income

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

(v) Investment income

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

(vi) Other income

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

7. Pensions

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

(i) Universities' Superannuation Scheme

The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

(ii) University of Hull Pension and Assurance Scheme

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

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

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

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

(iii) Defined contribution Stakeholder Scheme

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

8. Land and buildings

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

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

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

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

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

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

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

9. Service Concession Arrangements

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

10. Equipment

Equipment costing less than £10,000 per individual item, or group of related items, is written off in the year of acquisition. All other equipment is capitalised.

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

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

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

11. Intangible assets

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

12. Investment properties

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

13. Heritage assets

Heritage assets are treated in line with the University's capitalisation policy, i.e. those with a cost or value over £10,000 are capitalised. Where heritage assets have not been capitalised, details of the nature and age of these assets are disclosed.

14. Maintenance of premises

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

15. Provisions for liabilities

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

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

16. Investments

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

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

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

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

17. Stocks

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

18. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

19. Cash flows and liquid resources

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

20. Taxation status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

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

21. Agency arrangements

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

22. Financial instruments

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

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

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

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

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

- Trade, student and research debtors are classified as 'loans and receivables', are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. A provision is made when there is evidence that the University will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.
- Current asset investments represent investments with maturity dates of over three months and less than one year. Current asset investments are classified as 'loans and receivables', are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.
- Endowment investments classified as 'available for sale' financial assets, are initially recognised at fair value and subsequently measured at fair value through Other Comprehensive Income.
- The investment in UPP (Hull) Limited is classified as an 'available for sale' financial asset. This investment is measured at cost, on the basis fair value cannot be measured reliably.
- Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months and are held at face value which is equal to fair value..

- Amounts owed by Subsidiary companies are classified as 'loans and receivables' are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.
- Trade and other creditors are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method.
- Bank loans are initially recognised at fair value, less attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

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

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

23. Reserves

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

24. Significant judgements and estimates

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

Judgements

- (i) West Campus Residences Project (WCRP) Judgements have been taken in accounting for amounts attributable to individual elements of the WCRP.

Subleases issued by UPP (Hull) Ltd to the University on changing rooms, a shop, a café and car park spaces built by UPP (Hull) Ltd also form part of the total consideration. The University is treating these leases as prepaid through a reduction in the total consideration received. Estimates of the value of the prepaid lease obligations are based on the market value of similar leased assets as provided by an external valuer. The fair value of these lease obligations has been accounted for as a prepayment in the financial statements and will be released over the 50-year life of the leases.

The WCRP agreement includes the refurbishment and management of student accommodation at Taylor Court by UPP (Hull) Ltd. The University judged that the issuing of a 50-year lease for the land and buildings is in substance a disposal of the buildings to UPP (Hull) Ltd, based on the assessment that the remaining useful economic life of the buildings is the total term of the lease. Furthermore, an estimate has been made of £17m for the fair value of the lease arrangement based on an assessment made by an external valuer. The fair value of the buildings has been estimated by management to be in line with the net book value of the buildings before the transaction of £5m. Thus the value of the lease obligations that UPP owes to the University for the rental of the land at Taylor Court has been estimated at £12m. This prepayment of rent has been accounted for as deferred income and will be released over the 50-year life of the lease. Consideration from UPP includes a prepayment of lease obligations in respect of the lease of land from the University to UPP on the WCRP site. The value of the lease obligations has been estimated by reference to an external valuation of the market rent of the land. The total value of £3.7m has been accounted for as deferred income and will be released over the 50-year lease term.

The project includes 12 year contracts for security and maintenance of the WCRP site to be provided by the University. UPP have effectively prepaid the contract obligations in advance as part of total consideration for the project. These contracts have been valued within the agreement at £420k and £456k respectively, and the prepayment by UPP has been accounted for as deferred income and will be released over the 12-year term of the contracts.

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

The University holds 10% equity in UPP (Hull) Ltd, the Special Purpose Vehicle set up to operate the residences. This investment is accounted for within non current investments (see note 14 to the financial statements) on the basis that the University does not control the activities of this entity.

Estimates

(ii) Pensions

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The University is satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Pension provisions are calculated on the basis of assumptions agreed with scheme actuaries, in relation to future salary increases, mortality rates, discount rates and inflation rates. Changes to any of the assumptions could have a material impact on the valuation of the pension schemes. More details are included in note 27.

(iii) Fixed assets

Following the one off valuation of certain land and buildings as at 1 August 2014, on transition to FRS 102, estimates were made of remaining useful economic life of the assets and the proportion of each asset's total value to be attributed to its constituent components. These estimates were determined after consideration by the Estates management team and the external valuer. Both estimates are used as the basis for calculating annual depreciation.

(iv) Debtors

The University makes an estimate of the recoverable value of debtors. When assessing the provision for bad debt required, consideration is given to the aged profile of debtors and historical experience.

Notes to the Accounts

1. TUITION FEES AND EDUCATION CONTRACTS

| | 2023 | | 2022 | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Full-time home and EU students | 80,926 | 80,926 | 83,404 | 83,404 |
| Full-time international students | 43,618 | 43,618 | 35,374 | 35,374 |
| Part-time students | 1,242 | 1,242 | 3,744 | 3,744 |
| Research training support grant | 946 | 946 | 477 | 477 |
| Short course fees | 1,360 | 1,360 | 1,762 | 1,762 |
| | 128,092 | 128,092 | 124,761 | 124,761 |

2. FUNDING COUNCIL GRANTS

| | 2023 | | 2022 | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Recurrent grant | | | | |
| Office for Students (OfS) | 10,338 | 10,338 | 10,398 | 10,398 |
| Research England (RE) | 8,038 | 8,038 | 7,841 | 7,841 |
| Capital grant - OfS | 1,997 | 1,997 | 2,243 | 2,243 |
| Capital grant - RE | 803 | 803 | 878 | 878 |
| Specific grants | | | | |
| Department for Education | 8 | 8 | 270 | 270 |
| Higher education innovation fund | 1,816 | 1,816 | 1,679 | 1,679 |
| THYME | - | - | 154 | 154 |
| NCOP (OfS) | - | - | 307 | 307 |
| Humber Outreach Programme (HOP) | 813 | 813 | 1,026 | 1,026 |
| Other OfS | 420 | 420 | 24 | 24 |
| Other Research England | 1,067 | 1,067 | 1,141 | 1,141 |
| | 25,300 | 25,300 | 25,961 | 25,961 |

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

3. RESEARCH GRANTS AND CONTRACTS

| | 2023 | | 2022 | |
|----------------------------|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Research councils | 3,751 | 3,751 | 3,634 | 3,634 |
| UK charities | 2,854 | 2,854 | 2,345 | 2,345 |
| UK central government | 1,460 | 1,460 | 1,252 | 1,252 |
| Local authorities | 136 | 136 | 140 | 140 |
| Health and hospitals | 2,524 | 2,524 | 1,746 | 1,746 |
| UK industry | 1,026 | 1,026 | 883 | 883 |
| EU | 1,598 | 1,598 | 1,975 | 1,975 |
| Overseas and other sources | 1,502 | 1,502 | 662 | 662 |
| | 14,851 | 14,851 | 12,637 | 12,637 |

Notes to the Accounts

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

| | 2023 | | 2022 | |
|-----------------|----------------|----------------|----------------|----------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| OfS | 12,756 | 12,756 | 12,972 | 12,972 |
| Other bodies | 12,545 | 12,545 | 12,989 | 12,989 |
| Research awards | 14,851 | 14,851 | 12,637 | 12,637 |
| Non-qualifying | 2,306 | 2,306 | 2,239 | 2,239 |
| Taught | 125,786 | 125,786 | 122,522 | 122,522 |
| Total | 168,244 | 168,244 | 163,359 | 163,359 |

4. OTHER INCOME

| | 2023 | | 2022 | |
|--|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Residences, catering and conferences | 16,894 | 16,894 | 15,836 | 15,836 |
| Other services rendered | 5,313 | 5,313 | 5,322 | 5,322 |
| Health authorities | 3,329 | 3,329 | 3,163 | 3,163 |
| Released from deferred capital grants | 946 | 946 | 934 | 934 |
| Rents receivable and Facilities income | 1,586 | 1,586 | 1,537 | 1,537 |
| ERASMUS grants | 144 | 144 | 188 | 188 |
| Other Government grants (Coronavirus Job Retention Scheme) | - | - | 33 | 33 |
| Other revenue grant and departmental income | 5,370 | 5,370 | 3,581 | 3,581 |
| Other income | 3,322 | 2,257 | 2,886 | 2,116 |
| | 36,904 | 35,839 | 33,480 | 32,710 |

5. INVESTMENT INCOME

| | Notes | 2023 | | 2022 | |
|---------------------------------|-------|--------------|--------------|--------------|------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| Investment income on endowments | 22 | 352 | 352 | 177 | 177 |
| Interest on inter-company loan | | - | 25 | - | 11 |
| Other investment income | | 2,380 | 2,378 | 419 | 419 |
| | | 2,732 | 2,755 | 596 | 607 |

6. DONATIONS AND ENDOWMENTS

| | Notes | 2023 | | 2022 | |
|------------------------|-------|--------------|------------|--------------|------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| New endowments | 22 | 4 | 4 | 31 | 31 |
| Unrestricted donations | | 623 | 623 | 684 | 684 |
| | | 627 | 627 | 715 | 715 |

Notes to the Accounts

7. STAFF

| | 2023 | | 2022 | |
|---|----------------|----------------|----------------|----------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Staff Costs: | | | | |
| Salaries | 82,120 | 81,196 | 76,048 | 75,169 |
| Social security costs | 8,596 | 8,501 | 8,169 | 8,077 |
| Movement on USS provision | (4,658) | (4,658) | 38,236 | 38,236 |
| Other pension costs | 25,070 | 25,054 | 23,022 | 23,005 |
| Other pension adjustments | (3,186) | (3,186) | (3,000) | (3,000) |
| | <u>107,942</u> | <u>106,907</u> | <u>142,475</u> | <u>141,487</u> |
| Fundamental restructuring costs (2023: 25 individuals; 2022 19 individuals) | 757 | 757 | 799 | 799 |
| Total | 108,699 | 107,664 | 143,274 | 142,286 |

A further breakdown of pension costs has been included in note 27 Pension Schemes.

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 pension contributions (and are construed as such) with a corresponding reduction in the salaries heading which formerly included employee pension contributions (2023: £6,305k; 2022: £5,957k).

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

The Vice-Chancellor's basic salary is 6.4 times (2022: 6.9 times) the median pay of all University staff. The Vice-Chancellor's total remuneration is 6.6 times (2022: 7.3 times) the median total remuneration of all University staff.

| | 2023 | 2022 |
|--|---------------------|---------------------|
| | University £'000 | University £'000 |
| Emoluments of the Vice-Chancellors: | | |
| Vice-Chancellor | | |
| Salary before salary sacrifice arrangements | 216 | - |
| Salary sacrificed | (21) | - |
| Salary after salary sacrifice arrangements | <u>195</u> | <u>-</u> |
| Employers pension contributions | 45 | - |
| Pension contributions made under salary sacrifice arrangements | 21 | - |
| Total pension contributions | <u>66</u> | <u>-</u> |
| Total | 261 | - |
| Outgoing Vice-Chancellor | | |
| Salary before salary sacrifice arrangements | 52 | 252 |
| Salary sacrificed | (5) | (22) |
| Salary after salary sacrifice arrangements | <u>47</u> | <u>230</u> |
| Employers pension contributions | 11 | 53 |
| Pension contributions made under salary sacrifice arrangements | 5 | 22 |
| Total pension contributions | <u>16</u> | <u>75</u> |
| Total | 63 | 305 |

Notes to the Accounts

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

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

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 impact of the University's research has continued to gain recognition, with experts in low-carbon energy, flood resilience and sustainability. At a national level, the University's research is improving health and social outcomes, addressing inequalities by enabling earlier detection of cancer, dementia and heart disease, alongside areas of expertise in modern slavery and exploitation to food insecurity. The delivery of the University's Strategy 2030 has continued this past year with significant successful outcomes including the achievement of the highest level, a Gold rating, in the Teaching Excellence Framework, a Top 20 Student Experience ranking in the recent National Student Satisfaction Survey, improved staff and student engagement linking to strategic themes concerning People, Place and Partnership working, the returned growth of the overall student population, increased international student recruitment supported by improved reputation and reach, a growth in PGT (post-graduate taught) headcount and our continued carbon emissions reduction against our baseline.

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | Consolidated | Consolidated |
| | Number | Number |
| Average Staff Numbers by Major Category | | |
| Academic departments | 1,053 | 995 |
| Central Student Services | 83 | 72 |
| Central Administration | 627 | 526 |
| Premises | 161 | 152 |
| Total number of staff | 1,924 | 1,745 |

Notes to the Accounts

Remuneration of Higher Paid Staff

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

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

| | 2023 | 2022 |
|------------------------|--------------|--------------|
| | Consolidated | Consolidated |
| Basic salary per annum | No. of Staff | No. of Staff |
| £170,000 - £174,999 | - | 1 |
| £165,000 - £169,999 | 1 | - |
| £160,000 - £164,999 | 1 | - |
| £155,000 - £159,999 | - | 1 |
| £150,000 - £154,999 | - | - |
| £145,000 - £149,999 | 1 | - |
| £140,000 - £144,999 | 2 | 1 |
| £135,000 - £139,999 | 2 | - |
| £130,000 - £134,999 | - | 2 |
| £125,000 - £129,999 | 1 | 1 |
| £120,000 - £124,999 | 3 | 1 |
| £115,000 - £119,999 | 1 | 1 |
| £110,000 - £114,999 | 2 | 3 |
| £105,000 - £109,999 | 2 | 1 |
| £100,000 - £104,999 | 4 | 4 |
| | 20 | 16 |

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University, the Vice-Chancellor and the University Leadership Team.

| | 2023 | 2022 |
|--------------------------|--------------|--------------|
| | Consolidated | Consolidated |
| | £'000 | £'000 |
| Key management personnel | 2,225 | 2,316 |

Notes to the Accounts

8. INTEREST PAYABLE AND OTHER FINANCE COSTS

| | 2023 | | 2022 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Bank and other loans repayable within 1 year | - | - | - | - |
| Bank and other loans wholly or partly repayable in more than 5 years | 3,038 | 3,038 | 2,107 | 2,107 |
| Net charge on pension scheme | 2,864 | 2,864 | 732 | 732 |
| | 5,902 | 5,902 | 2,839 | 2,839 |

9. ANALYSIS OF EXPENDITURE BY ACTIVITY

| Consolidated | Staff Costs | Amortisation/ Depreciation | Other Operating Expenditure | Interest Payable | 2023 Total | 2022 Total |
|--------------------------------------|----------------|-------------------------------|-----------------------------------|---------------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academic departments | 64,097 | 914 | 9,839 | - | 74,850 | 100,291 |
| Academic services | 8,811 | 3,967 | 8,062 | - | 20,840 | 23,989 |
| Research grants and contracts | 6,760 | 1,240 | 8,283 | - | 16,283 | 11,091 |
| Residences, catering and conferences | 1,527 | 9,933 | 2,306 | - | 13,766 | 15,785 |
| Premises | 5,113 | 13,414 | 15,913 | 5,902 | 40,342 | 26,013 |
| Administration | 10,191 | 17 | 5,825 | - | 16,033 | 16,286 |
| Services rendered | 838 | - | 652 | - | 1,490 | 1,755 |
| Other expenses | 10,605 | 27 | 12,814 | - | 23,446 | 33,638 |
| | 107,942 | 29,512 | 63,694 | 5,902 | 207,050 | 228,848 |

| | | | | | | |
|---------------------------------|-----|---|---|---|-----|-----|
| Fundamental restructuring costs | 757 | - | - | - | 757 | 799 |
|---------------------------------|-----|---|---|---|-----|-----|

| | | | | | | |
|--------------|----------------|---------------|---------------|--------------|----------------|----------------|
| Total | 108,699 | 29,512 | 63,694 | 5,902 | 207,807 | 229,647 |
|--------------|----------------|---------------|---------------|--------------|----------------|----------------|

Other operating expenses include:

| | | |
|--|-----|-----|
| External auditors remuneration in respect of audit services | 130 | 106 |
| External auditors remuneration in respect of audit services for subsidiaries | - | 4 |
| External auditors remuneration in respect of non audit services | 28 | 10 |

Notes to the Accounts

| University | Staff Costs | Amortisation / Depreciation | Other Operating Expenditure | Interest Payable | 2023 Total | 2022 Total |
|---|----------------|-----------------------------|-----------------------------|------------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academic Departments | 64,097 | 914 | 9,839 | - | 74,850 | 100,291 |
| Academic Services | 8,811 | 3,967 | 8,062 | - | 20,840 | 23,989 |
| Research Grants and Contracts | 6,760 | 1,240 | 8,283 | - | 16,283 | 11,091 |
| Residences, Catering and Conferences | 1,527 | 9,933 | 2,306 | - | 13,766 | 15,785 |
| Premises | 5,113 | 13,414 | 15,913 | 5,902 | 40,342 | 26,013 |
| Administration | 10,191 | 17 | 5,825 | - | 16,033 | 16,286 |
| Services Rendered | 838 | - | 652 | - | 1,490 | 1,755 |
| Other Expenses | 9,570 | 22 | 13,119 | - | 22,711 | 33,251 |
| | 106,907 | 29,507 | 63,999 | 5,902 | 206,315 | 228,461 |
| Fundamental restructuring costs | 757 | - | - | - | 757 | 799 |
| | 107,664 | 29,507 | 63,999 | 5,902 | 207,072 | 229,260 |
| Other operating expenses include: | | | | | | |
| External auditors remuneration in respect of audit services | | | | | 130 | 106 |
| External auditors remuneration in respect of non audit services | | | | | 28 | 10 |

9b. ACCESS AND PARTICIPATION

| | 2023 | 2022 |
|-------------------------|--------------|--------------|
| | £'000 | £'000 |
| Access Investment | 2,539 | 1,320 |
| Financial Support | 1,040 | 943 |
| Disability Support | 1,297 | 1,009 |
| Research and Evaluation | 298 | 297 |
| | 5,174 | 3,569 |

The University's Access and Participation Plan, approved by the OfS, can be found at:

hull.ac.uk/choose-hull/university-and-region/key-documents/docs/access-and-participation-plan-2020-25.pdf

Access Investment

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

Financial Support

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

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

Disability Support

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

Research and Evaluation

Our research and evaluation team are continually looking to strengthen our evidence base for our APP activity, to ensure our measures are informed by the best available evidence on what works for students and to monitor achievement against key targets as set out in the University's plan.

Notes to the Accounts

10. NET GAIN/(LOSS) ON ASSETS

University and Consolidated

| |
|---|
| Realised loss/(gain) on disposal of fixed assets |
| Unrealised loss on revaluation investment property |
| Unrealised (loss)/gain on derivatives measured at fair value through profit or loss |
| Total |

| 2023 | | 2022 | |
|--------------|--------------|------------|------------|
| Consolidated | | University | |
| £'000 | £'000 | £'000 | £'000 |
| 1,584 | 1,584 | (113) | (113) |
| - | - | (106) | (106) |
| (228) | (228) | 469 | 469 |
| 1,356 | 1,356 | 250 | 250 |

Recognised in Other Comprehensive Income and Expenditure

| |
|---|
| Unrealised (loss)/gains on revaluation of investment assets |
| Total |

| | | | |
|----------------|----------------|--------------|--------------|
| (1,536) | (1,536) | (240) | (240) |
| (1,536) | (1,536) | (240) | (240) |

11. INTANGIBLE ASSETS

Cost

At 1 August 2022

Additions

At 31 July 2023

Amortisation

At 1 August 2022

Charge

At 31 July 2023

Net Book Value

At 31 July 2023

Net Book Value

At 31 July 2022

The amortisation period is 7 years.

| Software | | | |
|--------------|---------------|------------|---------------|
| Consolidated | | University | |
| £'000 | | £'000 | |
| | 17,754 | | 17,754 |
| | 1,052 | | 1,052 |
| | 18,806 | | 18,806 |
| | 7,716 | | 7,716 |
| | 2,421 | | 2,421 |
| | 10,137 | | 10,137 |
| | 8,669 | | 8,669 |
| | 10,038 | | 10,038 |

Notes to the Accounts

12. FIXED ASSETS

| | Land & Buildings | | Service Concession Arrangement | Mechanical & electrical | Equipment | Work in progress | Total |
|----------------------------------|------------------|--------------|--------------------------------|-------------------------|---------------|------------------|----------------|
| | Freehold | Leasehold | | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Consolidated | | | | | | | |
| Cost: | | | | | | | |
| At 1 August 2022 | 249,729 | 1,085 | 9,933 | 96,600 | 44,729 | 8,577 | 410,653 |
| Additions | - | - | 12,932 | - | 1,563 | 17,403 | 31,898 |
| Transfers to Intangible Assets | - | - | - | - | - | (1,052) | (1,052) |
| Transfers to investment property | - | - | - | - | - | (97) | (97) |
| Transfers from WIP | - | - | - | 3,219 | 4,204 | (7,423) | - |
| Disposals | 944 | - | (9,933) | - | - | - | (8,989) |
| At 31 July 2023 | 250,673 | 1,085 | 12,932 | 99,819 | 50,496 | 17,408 | 432,413 |
| Depreciation: | | | | | | | |
| At 1 August 2022 | 44,543 | 922 | - | 35,596 | 36,853 | - | 117,914 |
| Charge for the year | 5,985 | 7 | 9,933 | 6,844 | 4,322 | - | 27,091 |
| Disposals | 506 | - | (9,933) | - | - | - | (9,427) |
| At 31 July 2023 | 51,034 | 929 | - | 42,440 | 41,175 | - | 135,578 |
| Net Book Value | | | | | | | |
| At 31 July 2023 | 199,639 | 156 | 12,932 | 57,379 | 9,321 | 17,408 | 296,835 |
| Net Book Value | | | | | | | |
| At 1 August 2022 | 205,186 | 163 | 9,933 | 61,004 | 7,876 | 8,577 | 292,739 |

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 2022 | 249,729 | 1,085 | 9,933 | 96,600 | 44,674 | 8,768 | 410,789 |
| Additions | - | - | 12,932 | - | 1,549 | 16,933 | 31,414 |
| Transfers to Intangible Assets | - | - | - | - | - | (1,052) | (1,052) |
| Transfers to investment property | - | - | - | - | - | (97) | (97) |
| Transfers from WIP | - | - | - | 3,219 | 4,204 | (7,423) | - |
| Disposals | 944 | - | (9,933) | - | - | - | (8,989) |
| At 31 July 2023 | 250,673 | 1,085 | 12,932 | 99,819 | 50,427 | 17,129 | 432,065 |
| Depreciation: | | | | | | | |
| At 1 August 2022 | 44,543 | 922 | - | 35,596 | 36,805 | - | 117,866 |
| Charge for the year | 5,985 | 7 | 9,933 | 6,844 | 4,317 | - | 27,086 |
| Disposals | 506 | - | (9,933) | - | - | - | (9,427) |
| At 31 July 2023 | 51,034 | 929 | - | 42,440 | 41,122 | - | 135,525 |
| Net Book Value | | | | | | | |
| At 31 July 2023 | 199,639 | 156 | 12,932 | 57,379 | 9,305 | 17,129 | 296,540 |
| At 1 August 2022 | 205,186 | 163 | 9,933 | 61,004 | 7,869 | 8,768 | 292,923 |

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

Heritage assets

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

Service concession arrangements

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

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

The asset value of the service concession in the Balance Sheet as at 31 July 2023 is £12,932k (2022: £9,933k).

The total liabilities relating to the service concession in the balance sheet as at 31 July 2023 were £12,932k (2021: £9,933k), representing the present value of lease obligations for the following academic year. All our future commitments in relation to the service concession arrangement are payable within one year.

Notes to the Accounts

13. INVESTMENT PROPERTY

| | 2023 | 2023 |
|-------------------------|--------------|--------------|
| | Consolidated | University |
| | £'000 | £'000 |
| At 1 August 2022 | 4,325 | 4,325 |
| Additions | 97 | 97 |
| Market value adjustment | - | - |
| At 31 July 2023 | 4,422 | 4,422 |

The original cost of the investment property was £3,273k.

The investment property was revalued on an open market basis as at 31 July 2023 by an external valuer, Garness Jones, which is regulated by the Royal Institute of Chartered Surveyors. The valuation was performed in accordance with the RICS Valuation - Professional Standards.

14. NON CURRENT INVESTMENTS

| | 2023 | | 2022 | |
|-----------------------|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Endowment investments | 11,103 | 11,103 | 11,487 | 11,487 |
| UPP (Hull) Limited | 2,736 | 2,736 | 2,736 | 2,736 |
| Vertual Limited | 1,243 | - | 1,316 | - |
| Medimusic Limited | 87 | - | 42 | - |
| ERGO Centre | 300 | 300 | 300 | 300 |
| Derivatives | 241 | 241 | 469 | 469 |
| | 15,710 | 14,380 | 16,350 | 14,992 |

Details of investments in which the consolidated and University (unless indicated) hold 20% or more of the nominal value of any class of share capital are as follows:

| Name of undertaking | Country of incorporation or registration | Description of shares held | Proportion of nominal value of issues shares held % | Nature of business | Registered office |
|-------------------------------|--|----------------------------|---|--------------------------|--|
| Lampada Digital Solutions Ltd | England and Wales | Ordinary | 100 | Digital technology | Venn Building, Cottingham Road, Hull. HU6 7RX |
| Vertual Limited | England & Wales | Ordinary | 36 | Virtual Radiography | Building 1 @ The Dock, 31-38 Queen Street, Hull. HU1 1UU |
| Kingston Chemicals Limited | England & Wales | Ordinary | 21 | Manufacture of chemicals | 21 Marina Court, Castle Street, Hull. HU1 1TJ |
| UPP (Hull) Limited | England and Wales | Ordinary | 10 | Student accommodation | 1st floor 12, Arthur Street, London. EC4R 9AB |
| ERGO Centre | England and Wales | Ordinary | 13.63 | Renewable technology hub | Bridgehead Business Park, Meadow Road, Hessle. HU13 0GD |
| UoH Energy Co Limited | England and Wales | Ordinary | 100 | Energy Provider | Venn Building, Cottingham Road, Hull. HU6 7RX |

Lampada Digital Solutions Ltd's result for the year ended 31 July 2023 was a surplus of £244k.

The University's share of the result for Vertual Limited for the same period was a loss of £73k.

UoH Energy Co Limited had no trading activity in the period.

Notes to the Accounts

15. PROPERTIES FOR SALE

Two student residences are to be sold in 2023/24. The net book value of £3,514k (2022: £3,691k) has been moved from fixed assets to current assets, and no depreciation charged in the year.

16. TRADE AND OTHER RECEIVABLES

| | 2023 | | 2022 | |
|--|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Debtors falling due within one year: | | | | |
| Trade, student and research debtors | 26,318 | 25,783 | 15,497 | 14,593 |
| Amounts owed by subsidiary companies | - | 1,134 | - | 1,239 |
| Prepayments and Accrued Income | 9,011 | 8,786 | 7,989 | 7,923 |
| | 35,329 | 35,703 | 23,486 | 23,755 |
| 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 | 3,019 | 3,019 | 3,086 | 3,086 |
| | 4,819 | 4,819 | 4,886 | 4,886 |
| | 40,148 | 40,522 | 28,372 | 28,641 |

The University has made a loan of £450k to its subsidiary, Lampada Digital Solutions Ltd, at an interest rate of 2% per annum above base rate.

17. CURRENT INVESTMENTS

| | 2023 | | 2022 | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Deposits maturing in one year or less | 85,750 | 85,750 | 34,100 | 34,100 |

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

18. CASH AND CASH EQUIVALENTS

| | 2023 | | 2022 | |
|------------------------|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Endowments | 3,831 | 3,831 | 3,665 | 3,665 |
| ST investments < 3mths | 9,909 | 9,909 | 51,186 | 51,186 |
| Cash at bank | 4,860 | 4,794 | 22,230 | 21,518 |
| | 18,600 | 18,534 | 77,081 | 76,370 |

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | | 2022 | |
|--|---------------|---------------|---------------|---------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Grants and Donations Received in Advance | 9,053 | 9,053 | 10,482 | 10,482 |
| Creditors | 21,509 | 21,374 | 11,167 | 10,887 |
| Amounts owed to subsidiary companies | - | 813 | - | 1,062 |
| Service Concession Arrangement | 12,932 | 12,932 | 9,933 | 9,933 |
| Social Security and other Taxation Payable | 2,555 | 2,468 | 2,894 | 2,796 |
| Accruals and Other Deferred Income | 22,176 | 21,539 | 20,060 | 18,860 |
| Deferred capital grants | 4,043 | 4,043 | 3,989 | 3,989 |
| | 72,268 | 72,222 | 58,525 | 58,009 |

Included in accruals and other deferred income is £6,712k relating to deferred tuition fees and £146k relating to other deferred income.

Notes to the Accounts

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

| | 2023 | | 2022 | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Loan notes repayable 2034 to 2042 | 86,000 | 86,000 | 86,000 | 86,000 |
| Other deferred income | 13,807 | 13,807 | 14,192 | 14,192 |
| Deferred Capital Grants | 26,075 | 26,075 | 28,653 | 28,653 |
| | 125,882 | 125,882 | 128,845 | 128,845 |

£86.0m (2022: £86m) of creditors relate to loans which fall due after more than five years.

The University issued £86.0m private placement of loan notes in 2022 to aid its broader investment strategy. The notes are in three series' as follows:

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

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

21. PROVISION FOR LIABILITIES AND CHARGES

| | Consolidated and University | | | | |
|------------------|-----------------------------|---------------------------|--------------------------|------------------|---------------|
| | USS provision | Pension scheme provisions | Total Pension provisions | Other provisions | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 August 2022 | 65,573 | 21,623 | 87,196 | 1,300 | 88,496 |
| Utilised in Year | | | - | (130) | (130) |
| Movements | (2,487) | 2,156 | (331) | 898 | 567 |
| At 31 July 2023 | 63,086 | 23,779 | 86,865 | 2,068 | 88,933 |

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

Other provisions include £1,625k provision for demolition costs. In addition £443k partly represents the present value of future pension enhancements in respect of former University College Scarborough employees who have taken early retirement (£437k) plus an amount of £6k for former University of Hull employees where the pension is paid directly by the University

Notes to the Accounts

22. ENDOWMENT RESERVES

| | Consolidated and University | | | | | | |
|--|-----------------------------|-----------------------|----------------------|----------------|------------------|---------------|---------------|
| | Unrestricted Permanent | Restricted Expendable | Restricted Permanent | CMRI endowment | Restricted Total | 2023 Total | 2022 Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Value | 8,161 | 849 | 4,035 | - | 4,884 | 13,045 | 13,704 |
| Accumulated income | - | (5) | 2,107 | 5 | 2,107 | 2,107 | 2,066 |
| At 1 August 2022 | 8,161 | 844 | 6,142 | 5 | 6,991 | 15,152 | 15,770 |
| New endowments | - | - | 4 | - | 4 | 4 | 31 |
| Increase/(decrease)in market value of investment | (247) | - | (135) | - | (135) | (382) | (691) |
| Investment Income | 140 | 38 | 174 | - | 212 | 352 | 218 |
| Expenditure | (140) | (37) | (10) | (5) | (52) | (192) | (176) |
| Total endowment comprehensive income for the year | (247) | 1 | 33 | (5) | 29 | (218) | (618) |
| At 31 July 2023 | 7,914 | 845 | 6,175 | - | 7,020 | 14,934 | 15,152 |
| Represented by: | | | | | | | |
| Capital | 7,914 | 857 | 3,902 | - | 4,759 | 12,673 | 13,045 |
| Accumulated income | - | (12) | 2,273 | - | 2,261 | 2,261 | 2,107 |
| | 7,914 | 845 | 6,175 | - | 7,020 | 14,934 | 15,152 |
| Analysis by type of purpose: | | | | | | | |
| Fellowships and scholarships | - | 559 | 2,545 | - | 3,104 | 3,104 | 3,019 |
| Prize funds | - | 43 | 551 | - | 594 | 594 | 580 |
| Chair and lectureship funds | - | - | 1,663 | - | 1,663 | 1,663 | 1,616 |
| Other | 7,914 | 243 | 1,416 | - | 1,659 | 9,573 | 9,937 |
| | 7,914 | 845 | 6,175 | - | 7,020 | 14,934 | 15,152 |
| Analysis by asset: | | | | | | | |
| Current and non current asset investments (note 14) | | | | | | 11,103 | 11,487 |
| Cash and cash equivalents (note 18) | | | | | | 3,831 | 3,665 |
| | | | | | | 14,934 | 15,152 |

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

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

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

23. CAPITAL COMMITMENTS

| | 2023 | | 2022 | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| | Consolidated | University | Consolidated | University |
| | £000 | £000 | £000 | £000 |
| Commitments Contracted for at 31 July | 5,472 | 5,472 | 3,466 | 3,466 |

These commitments will be funded by operating cash flows.

Notes to the Accounts

24. EVENTS AFTER THE REPORTING PERIOD

In December 2022, the UK Government issued a notice regarding Reinforced Autoclaved Aerated Concrete (RAAC), which was widely used in the construction of floors and roofs from the 1950s to the early 1990s. The Scottish and UK Governments are working to research the extent of the use of RAAC in public buildings, with significant growing public concern over its safety. In September 2023, the University identified four buildings which contain RAAC. We concluded that this potential liability qualified as a contingent liability in the 2022/23 annual accounts. At the time of signing the annual accounts the estimated liability is £625K.

25. FINANCIAL INSTRUMENTS

| | 2023 | | 2022 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Consolidated £000 | University £000 | Consolidated £000 | University £000 |
| Financial assets that are debt instruments measured at amortised cost: | | | | |
| Cash | 18,600 | 18,534 | 77,081 | 76,370 |
| Trade, student and research debtors | 26,318 | 25,783 | 15,497 | 14,593 |
| Current asset investments | 85,750 | 85,750 | 34,100 | 34,100 |
| Amounts owed by subsidiary companies | - | 1,134 | - | 1,239 |
| | 130,668 | 131,201 | 126,678 | 126,302 |
| Financial assets that are equity instruments measured at cost: | | | | |
| Non-current asset investments | 2,736 | 2,736 | 2,736 | 2,736 |
| | 2,736 | 2,736 | 2,736 | 2,736 |
| Financial liabilities measured at amortised cost: | | | | |
| Trade creditors | 21,509 | 21,374 | 11,167 | 10,887 |
| Accruals | 22,176 | 21,539 | 20,060 | 18,860 |
| Bank loans | - | - | - | - |
| Loan notes | 86,000 | 86,000 | 86,000 | 86,000 |
| Amounts owed to subsidiary companies | - | 813 | - | 1,062 |
| | 129,685 | 129,726 | 117,227 | 116,809 |
| Financial assets measured at fair value through profit and loss: | | | | |
| Derivatives | 241 | 241 | 469 | 469 |
| | 241 | 241 | 469 | 469 |
| Financial assets measured at fair value through other comprehensive income (AFS assets): | | | | |
| Non-current asset investments | 11,104 | 11,104 | 11,487 | 11,487 |
| | 11,104 | 11,104 | 11,487 | 11,487 |

Financial instruments measured at fair value

Non-current asset investments

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

Embedded derivatives

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

Notes to the Accounts

26. CONSOLIDATED RECONCILIATION OF NET DEBT

| | | |
|---|---------------|---------------|
| | 2023 | |
| | £000 | |
| Net (cash)/debt 1 August 2022 | 8,919 | |
| Movement in cash and cash equivalents | (58,481) | |
| Other non-cash changes | 134,800 | |
| Net debt 31 July 2023 | 67,400 | |
| Change in net debt | 76,319 | |
| Analysis of net debt: | | |
| | 2023 | 2022 |
| | £'000 | £'000 |
| Cash and cash equivalents | 18,600 | 77,081 |
| Borrowings: amounts falling due within one year | | |
| Unsecured loans | - | - |
| | - | - |
| Borrowings: amounts falling due after more than one year | | |
| Unsecured loans | 86,000 | 86,000 |
| | 86,000 | 86,000 |
| Net debt | 67,400 | 8,919 |

27. UNIVERSITY PENSION SCHEMES

| | Employer's Pension costs for the year to 31 July 2023 | Employer's Pension costs for the year to 31 July 2022 | Pension liability as at 31 July 2023 | Pension liability as at 31 July 2022 | Actuarial gain as at 31 July 2023 | Actuarial gain as at 31 July 2022 |
|---|---|---|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Universities Superannuation Scheme (USS) | 13,462 | 12,237 | 63,086 | 65,573 | n/a | n/a |
| University of Hull Pension and Assurance Scheme (UHPAS) | n/a | n/a | 23,779 | 21,623 | (4,439) | 6,005 |
| Aviva defined contribution scheme | 1,076 | 923 | n/a | n/a | n/a | n/a |
| North Yorkshire Pension scheme | 56 | 56 | - | - | (209) | 2,754 |
| NHS pension scheme | 562 | 524 | n/a | n/a | n/a | n/a |
| Teachers pension scheme | 82 | 79 | n/a | n/a | n/a | n/a |
| | 15,238 | 13,819 | 86,865 | 87,196 | (4,648) | 8,759 |

27 (a) Universities Superannuation Scheme ("USS")

The total cost charged to the SOCI is £13,461,733 (2022: £12,236,720).

Deficit recovery contributions due within one year are £4,247,677 (2022: £3,787,323).

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

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

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

Notes to the Accounts

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

CPI assumption

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

Pension increases (subject to a floor of 0%)

CPI assumption plus 0.05%

Discount rate (forward rates)

Fixed interest gilt yield curve plus pre-retirement 2.75% pa, post-retirement 1.00% pa.

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

2020 valuation

Mortality base table

101% of S2PMA "light" for males and 95% of S3PFA for females.

Future improvements to mortality

CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

| | 2023 | 2022 |
|---------------------------------|------|------|
| Males currently aged 65 years | 24.0 | 23.9 |
| Females currently aged 65 years | 25.6 | 25.5 |
| Males currently aged 45 years | 26.0 | 25.9 |
| Females currently aged 45 years | 27.4 | 27.3 |

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%

The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

| | 2023 | 2022 |
|---------------------------|-------|-------|
| Discount rate | 5.52% | 3.31% |
| Pensionable salary growth | 3.00% | 3.00% |

We have carried out sensitivity analysis based on movements of +/- 1% of each of the principal assumptions used to calculate the USS deficit provision and the results are shown below.

| | Value | Provision | Variance |
|-----------------------|-------|-----------|----------|
| | | £'000 | £'000 |
| | Base | 63,086 | |
| Discount rate | +1% | 58,547 | (4,539) |
| Discount rate | -1% | 68,135 | 5,049 |
| Salary increase | +1% | 68,201 | 5,115 |
| Salary increase | -1% | 58,410 | (4,676) |
| Staff number increase | +1% | 67,904 | 4,818 |

Leaving all other assumptions constant has its limitations, given there is more likely to be a combination of changes at any one time. However the value and risk associated with each individual assumption is considered to give a suitable basis for providing this sensitivity analysis.

Notes to the Accounts

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

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

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

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

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

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

(c) Aviva Defined Contribution Stakeholder Scheme

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

Employer contributions to the scheme during the year, including those staff members who participate in the Salary Sacrifice arrangement, totalled £1,076,389 (2022: £923,164).

(d) Other Pension Schemes

A small number of staff remain in other pension schemes. Employer contributions to such schemes totalled £699,966 during the year (2022: £659,045).

Notes to the Accounts

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

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

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

| | 2023 | 2022 |
|---|-------|-------|
| Rate of increase in salaries | 3.05% | 3.05% |
| Rate of increase in pensions in payment | 3.10% | 3.10% |
| Discount rate | 5.05% | 3.50% |
| RPI Inflation assumption | 3.05% | 3.05% |
| CPI Inflation assumption | 2.65% | 2.55% |

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

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

| | | |
|----------------------|------|------|
| Retiring today | | |
| <i>Males</i> | 21.6 | 22.2 |
| <i>Females</i> | 24.0 | 24.5 |
| Retiring in 20 years | | |
| <i>Males</i> | 22.8 | 23.5 |
| <i>Females</i> | 25.4 | 26.0 |

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

| | 2023 | 2022 |
|------------------------------|---------------|----------------|
| | £'000 | £'000 |
| Global and emerging equities | 19,538 | 22,028 |
| Global fixed income | - | 2,139 |
| Multi asset credit | - | 1,015 |
| Absolute returns | 7,329 | 29,386 |
| Hedge funds | 8,276 | 4,235 |
| Property | 5,044 | 6,501 |
| Illiquid | 5,060 | 5,463 |
| Hedging | 26,120 | 31,618 |
| Cash/other | 2,975 | 1,370 |
| | 74,342 | 103,755 |

Notes to the Accounts

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

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | £'000 | £'000 |
| Total market value of assets | 74,342 | 103,755 |
| Present value of scheme liabilities | (98,121) | (125,378) |
| Deficit in the scheme | (23,779) | (21,623) |
| Current service cost | - | - |
| Past service cost | - | - |
| Total operating charge | - | - |
| Expected return on pension scheme assets | 3,601 | 2,269 |
| Interest on pension scheme liabilities | (4,299) | (2,753) |
| Net charge to other finance income | (698) | (484) |
| (Loss) on assets | (30,853) | (31,177) |
| Gain on liabilities | 26,414 | 37,182 |
| Changes in assumptions re present value of scheme liabilities | - | - |
| Actuarial (loss)/gain | (4,439) | 6,005 |

History of experience gains and losses

Differences between the expected and actual return on scheme assets:

| | 2023 | 2022 | 2021 | 2020 |
|---|----------|----------|---------|----------|
| Amount (£'000) | (30,853) | (31,177) | 4,295 | 10,336 |
| Percentage of scheme assets | -42% | -30% | 3% | 8% |
| Experience gains and losses on scheme liabilities: | | | | |
| Amount (£'000) | 26,414 | 37,182 | (7,335) | (18,284) |
| Percentage of the present value of the scheme liabilities | -27% | -30% | -4.5% | 11% |

Notes to the Accounts

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | £'000 | £'000 |
| Analysis of movement in deficit | | |
| Deficit in scheme at beginning of the year | (21,623) | (30,000) |
| Movement in the year: | | |
| Current service cost | (415) | (293) |
| Contributions by employer | 3,396 | 3,149 |
| Past service costs | - | - |
| Other financial charges | (698) | (484) |
| (Loss)/gain recognised as other comprehensive income | (4,439) | 6,005 |
| Deficit in scheme at end of year | (23,779) | (21,623) |
| Analysis of the movements in the present value of the scheme liabilities | | |
| At beginning of the year | 125,378 | 164,025 |
| Current service cost | - | - |
| Interest on liabilities recorded within other comprehensive income | 4,299 | 2,753 |
| Contributions by employee | - | - |
| Past service costs | - | - |
| Pensions paid | (5,142) | (4,218) |
| Actuarial (gains) | (26,414) | (37,182) |
| At end of year | 98,121 | 125,378 |
| Analysis of the movements in the fair value of the scheme assets | | |
| At beginning of the year | 103,755 | 134,025 |
| Expected return on assets | 3,601 | 2,269 |
| Total contributions | 3,396 | 3,149 |
| Pensions paid | (5,142) | (4,218) |
| Administration costs | (415) | (293) |
| Actuarial (loss) | (30,853) | (31,177) |
| At end of year | 74,342 | 103,755 |

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

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

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

| | 2023 | 2022 |
|---|-------|-------|
| Rate of increase in salaries | 3.85% | 3.85% |
| Rate of increase in pensions in payment | 2.60% | 2.60% |
| Discount rate | 5.10% | 3.50% |
| Inflation assumption RPI | | 3.20% |
| Inflation assumption CPI | 2.60% | 2.60% |

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

| | | |
|----------------------|------|------|
| Retiring today | | |
| <i>Males</i> | 22.0 | 21.8 |
| <i>Females</i> | 24.5 | 23.8 |
| Retiring in 20 years | | |
| <i>Males</i> | 22.9 | 23.5 |
| <i>Females</i> | 25.5 | 25.7 |

Notes to the Accounts

The assets in the scheme were:

| | 2023 | 2022 |
|---------------------|---------------|---------------|
| | £'000 | £'000 |
| Equities | 7,304 | 7,215 |
| Bonds | 2,376 | 2,907 |
| Property/Cash/Other | 3,897 | 3,858 |
| | 13,577 | 13,980 |

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

| | | |
|---|--------------|--------------|
| Total market value of assets | 13,577 | 13,980 |
| Present value of scheme (liabilities)/assets | (10,041) | 11,896 |
| Asset in the scheme | 3,536 | 2,084 |
| Current service cost | 42 | 81 |
| Past service cost | - | - |
| Total operating charge | 42 | 81 |
| Expected return on pension scheme assets | 487 | 267 |
| Interest on pension scheme liabilities | (398) | (279) |
| Net charge | 89 | (12) |
| (Loss) on assets | (734) | (1,934) |
| Gain on liabilities | 1,566 | 4,688 |
| Changes in assumptions re present value of scheme liabilities | (1,041) | - |
| Actuarial (loss)/gain | (209) | 2,754 |

History of experience gains and losses

| Differences between the expected and actual return on scheme assets: | 2023 | 2022 | 2021 | 2020 |
|--|---------|---------|--------|---------|
| Amount (£'000) | (734) | (1,934) | 2,058 | 798 |
| Percentage of scheme assets | (5%) | (14%) | 13% | 5% |
| Experience gains and losses on scheme liabilities: | | | | |
| Amount (£'000) | 1,566 | 4,688 | 315 | (1,188) |
| Percentage of the present value of the scheme liabilities | (15.6%) | (39.4%) | (1.9%) | 7% |

Analysis of movement in gain/(deficit)

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Gain/(deficit) in scheme at beginning of the year | 2,410 | (802) |
| Movement in the year: | | |
| Current service cost | (42) | (81) |
| Employer contributions | 247 | 225 |
| Past service costs | - | - |
| Other financial (expense)/income | 4 | (12) |
| (Loss)/gain recognised as other comprehensive income | (209) | 3,080 |
| Other gains | 1,126 | - |
| Gain in scheme at end of year | 3,536 | 2,410 |

Notes to the Accounts

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

| | 2023 | 2022 |
|--|---------------|---------------|
| At beginning of the year | 11,570 | 16,610 |
| Current service cost | 42 | 81 |
| Interest on liabilities recorded within other comprehensive income | 398 | 279 |
| Employee contributions | 10 | 11 |
| Past service costs | - | - |
| Pensions paid | (413) | (397) |
| Actuarial (loss) | (1,566) | (5,014) |
| At end of year | 10,041 | 11,570 |

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

| | | |
|---------------------------|---------------|---------------|
| At beginning of the year | 13,980 | 15,808 |
| Expected return on assets | 487 | 267 |
| Total contributions | 257 | 236 |
| Pensions paid | (413) | (397) |
| Actuarial (loss) | (734) | (1,934) |
| At end of year | 13,577 | 13,980 |

Reconciliation of funded status to balance sheet

| | | |
|--|--------|--------|
| Fair value of assets | 13,577 | 13,980 |
| Present value of funded defined benefit obligation | 10,041 | 11,570 |
| Funded status | 3,536 | 2,410 |
| Unrecognised asset | 3,536 | 2,410 |
| Asset recognised in the balance sheet | - | - |

(e) (iii) NHS pension scheme

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

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

An HM Treasury pension scheme valuation for funding purposes was carried out as at March 2012. The Scheme Regulations have been changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The contribution rate payable by the University during the year ended 31 July 2023 was equal to 14.3% of the total pensionable in accordance with the conclusion of the Government Actuary's report on the scheme.

28. DEPARTMENT FOR EDUCATION BURSARY FUND

| | 2023 | 2022 |
|-------------------------------------|------------|------------|
| | £'000 | £'000 |
| Balance brought forward at 1 August | (2) | (61) |
| Grants | 434 | 568 |
| | <u>432</u> | <u>507</u> |
| Disbursed to students | (423) | (509) |
| Balance unspent at 31 July | 9 | (2) |

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

Notes to the Accounts

29. RELATED PARTY DISCLOSURES

Details of investments are given in Note 14.

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

The University of Hull Maritime History Trust Limited

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

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 Union, as well as other payments regarding goods and services rendered. Income received from the 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.

| | Income | Expenditure | Balance due to the University | Balance due from the University |
|---|------------|----------------|-------------------------------|---------------------------------|
| | £000 | £000 | £000 | £000 |
| The University of Hull Maritime History Trust Limited | 11 | - | - | 27 |
| The Ferens Education Trust | 18 | (28) | 72 | - |
| Hull University Students' Union | 486 | (1,487) | - | 2 |
| EMIH Limited | 80 | (71) | 12 | - |
| Kingston Chemicals Limited | - | - | - | - |
| Chemtrix Limited | - | - | - | - |
| | 595 | (1,586) | 84 | 29 |

30. EXPENSE PAYMENTS TO TRUSTEES

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

The total expenses paid to or on behalf of trustees was £4,166 (2022: £2,438). This represents travel and subsistence expenses incurred in attending Council, meetings and events in their official capacity.



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