

Financial Statements 2019

August 2018–July 2019

University of
HUDDERSFIELD
Inspiring global professionals



Credit: Morgan Sindall

The £30 million award-winning Barbara Hepworth Building – named after the famous Yorkshire-born sculptor – is the new canal side home of students in the School of Art, Design and Architecture at the University.



Pictured left to right are Holocaust survivors: Heinz Skyte, Trude Silman and Arek Hersh.



Pictured are young visitors to the Centre.

The Holocaust Exhibition and Learning Centre, opened in September 2018, was created by the Leeds-based charity the Holocaust Survivors' Friendship Association in partnership with the University. It is a £1.2m initiative supported by Heritage Lottery Fund, Pears Foundation, The Association of Jewish Refugees, The Toni Schiff Memorial Foundation and individual donors. The Centre features an intensely moving, informative, permanent display that includes text, photographs, animated maps, artefacts and filmed testimonies from survivors of the Nazis' attempted extermination of the Jews of Europe. It strikes a powerful warning note about the dangers of antisemitism and all forms of prejudice.

Paul Grimwood, the Yorkshire-born businessman who became head of food and drink multinational Nestlé's vast US operation, delivered a lecture in which he described the scale and the speed of the changes and the challenges that now face business. A graduate of the University of Huddersfield, Paul has now been appointed as a visiting professor.



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OPERATING AND FINANCIAL REVIEW

The University Council of the University of Huddersfield hereby submits its thirtieth annual report together with the audited financial statements for the year ended 31 July 2019. The Financial Statements comprise the consolidated results for the University and its subsidiary undertakings. The principal wholly owned subsidiary is The University of Huddersfield Enterprises Limited, which has continued to trade satisfactorily during the year. The purpose of this company is to conduct those commercial activities of the University which are not compatible with the University's charitable status and may be subject to corporation tax on profits generated. The taxable profits of the company are paid by deed of covenant to the University annually. The University's other wholly owned trading subsidiary, Huddersfield Enterprise and Innovation Centre Limited, which houses the 3M Buckley Innovation Centre (3M BIC), has continued to trade during this period.

CONSTITUTION AND POWERS

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

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

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

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

PUBLIC BENEFIT STATEMENT

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

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

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

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

The University of Huddersfield's roots go back 178 years via the Huddersfield Mechanics' Institute. Throughout its history the University has been committed to meeting the needs and aspirations of its students. This remains our key focus. Our long term objective is to embed knowledge exchange activity, drawing on excellence in learning and teaching and research.

We are a successful, popular and innovative modern University that offers a wide range of education, training and research facilities and we are proud of our achievements. The University of Huddersfield has a student population of over 18,000 undertaking a wide range of courses covering the wealth creating, cultural and social welfare aspects of our economy.

Vision

To be an inspiring, innovative University of international renown.

Mission

To deliver an accessible and inspirational learning experience; to undertake pioneering research and professional practice; and to engage fully with employers and the community.

Stakeholder Expectations

Our students can expect:

- an education that challenges and creates excellent career opportunities;
- to learn from staff at the leading edge of knowledge and application; and
- high quality physical and supportive learning environments.

Our partners can expect:

- a responsive and flexible University that delivers high quality work efficiently and effectively;
- to deal with leading experts in their field; and
- high quality and fit for purpose facilities.

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

Strategic Aims

A strategic plan for the period 2018-2025 was approved by Council in July 2019.

Our strategic aims are:

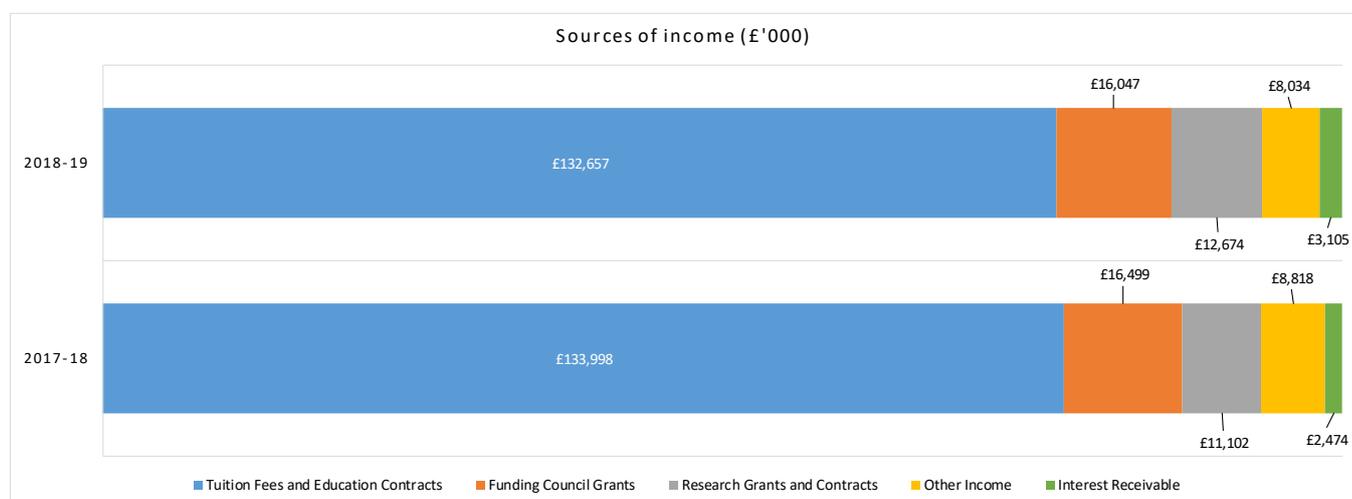
- **Inspiring**
 - Enable all students to become inspiring and enterprising global professionals and achieve career and personal success.
 - Inspire all students to fulfil their potential and achieve the highest academic and professional standards.
 - Create an inclusive globally aware community providing a world-leading and inspiring student experience.
- **Innovative**
 - Increase our international recognition via the volume and quality of research outputs.
 - Increase our research and knowledge exchange income.
 - Become a focus for productivity improvement, impact and enterprise.
- **International**
 - Be recognised as a world-class academic institution.
 - Build strategic research partnerships with other world-class academic institutions.
 - Continue to provide a world-class student-experience.

We achieve our aims through a People First strategy which develops and empowers our staff; financial sustainability; and improving our efficiency and effectiveness. Our achievement is measured against a number of Key Performance Indicators which are underpinned by specific targets.

Value for Money Statement

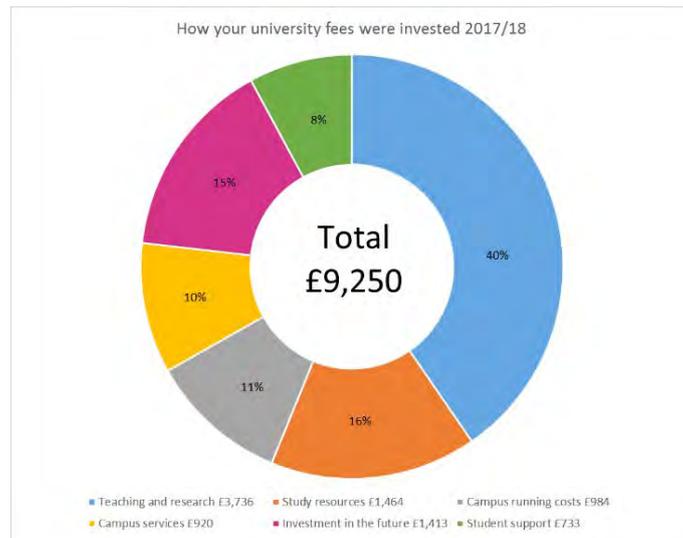
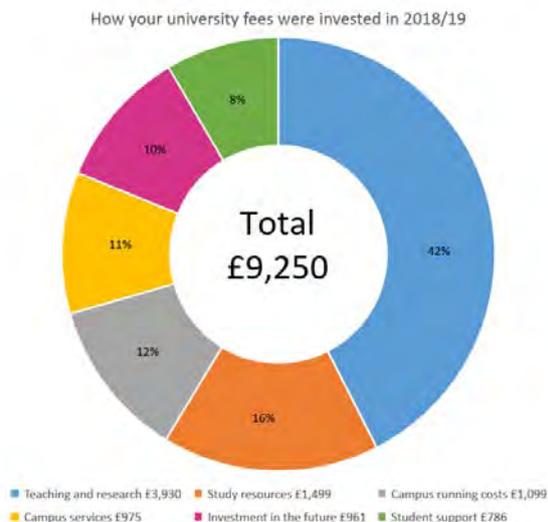
The University has a Value for Money Strategy (VFM) which commits us to the pursuit of economy, efficiency and effectiveness as part of our corporate and academic strategy. We will continue to adopt good practice; we will incorporate VFM principles in all of our activities; and we will always seek to find new ways of obtaining better VFM.

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



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

The charts below show our sources of income and how student tuition fees was spent in 2018/19 and in 2017/18:



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

Student fees also contribute to our student support and academic services, which are important to student experience. In 2018/19 we spent £13.4m on student support, which includes services such as counselling, disability support and financial advice. We also spent £25.6m on our IT, library and academic services whose facilities aid learning outside of the lecture theatre and are accessible to all of our students.

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



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

The University of Huddersfield is the only organisation in the world where all the senior Management Team (83 people) are Chartered Managers.



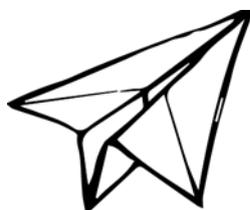
ACHIEVEMENT OF STRATEGIC OBJECTIVES

Inspirational Teaching

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

Preliminary figures indicate that this year we once again increased the proportion of students gaining first and upper second class degrees. In the summer of 2019, students completing their degrees and achieving levels of 'good degrees' (1/2i classifications) were higher than the previous year, with 75.6% of our students securing good degrees. This was achieved without any amendments to classification algorithms.

Our National Student Survey (NSS) results continue to be above benchmark for almost all of the Teaching Excellence Framework indicators, and we were in the top quartile (ranked 17th) for overall satisfaction (mainstream English HEIs Income >£100m) in the 2019 NSS.



The University's interest and expertise in securing good outcomes for all students was recognised by its appointment as the lead across four universities for the OfS funded Catalyst Project, Intervention for Success, which completed in February 2019 and is currently being submitted to OfS for evaluation. One of its major initiatives, trialled and developed by the University of Huddersfield, is the Flying Start programme which focuses on transition. It gained the award of The Guardian Prize for Curriculum Development and the Ian Martin award for the paper that makes the biggest contribution to social justice at the Standing Conference on University Teaching and Research in the Education of Adults. Its success is demonstrated by invitations to speak about the project at external events, by a statistically significant improvement in student engagement, and by the very high level of take up of the programme within the institution, which has increased from nine courses to more than 50 courses, reaching more than 3,000 students in September 2019. Data available indicates a significant increase in retention and attainment in modular assessment for those courses which participated in the project.

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

HUDDERSFIELD



IN ENGLAND FOR
PROFESSIONALLY
QUALIFIED TEACHING STAFF

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

We continue to equip our graduates with the life-skills and behaviours necessary to be global citizens who make a positive contribution to society, and all undergraduate students who are on a course of more than one year's duration have the opportunity to engage in significant work-related experience as part of their studies. The most recently published "positive outcomes" figure for Huddersfield graduates in employment or further study six months after graduation (based on those graduating mainly in the summer of 2017) is 97.4%, which places Huddersfield in the top five English mainstream universities.

To consolidate this position and to enable the University to meet key performance indicators in the 2018-2025 strategy map, the University is piloting a new Global Professional Award programme, accredited by the CMI, which foregrounds employability and enterprise education, with a view to rolling this out to all undergraduate students from 2020.



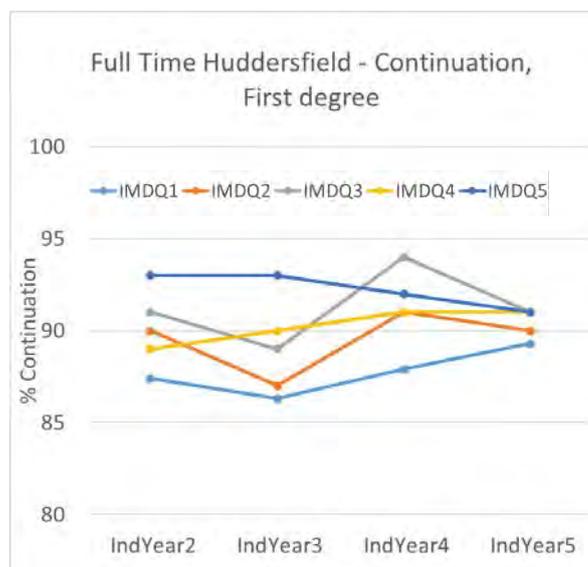
Following receipt of the HEA Global Teaching Excellence Award, the University continues to champion teaching and learning on an international stage with the most recent visitors to consult on our strategic approaches coming from Ukraine in September 2019.

Student Opportunities

The University places the needs of its students first. We are proud of our record in widening access to higher education and have one of the most socially inclusive student populations in England, with between 30-35% of our intake coming from Index of Multiple Deprivation (IMD) Q1.

KPIs for 2019-2025 challenge the University to narrow the attainment gap for all students from all backgrounds to zero, and our new Differential Achievement Project enables the University to identify where barriers to attainment are located and where ameliorative measures need to be targeted.

Focus on continuation over the previous strategy map has proved successful in narrowing the gap across IMD quintiles (see right), a position which the University intends to build on further.



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

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

The University has performed well in terms of recruiting from low-income groups and ethnic-minority communities. For example, of our UK domiciled students almost 1 in 6 of our students is from a low-participation neighbourhood, 1 in 3 is from an ethnic minority and 8.5% are in receipt of the Disabled Students allowance. [HESA UK PI T1, T7, Heidi Plus]

We recognise that some sections of society perceive that there are entry barriers to higher education, for instance based upon price. We work hard to raise aspirations and awareness of HE amongst those currently under-represented and in 2018/19 we carried out 1,170 activities in schools, colleges and community groups, reaching an estimated 30,000 learners, an increase on previous years. We also provide role models and advice through our Student Ambassador Scheme. We give all of our Postgraduate Research students a comprehensive guide to alternative funding sources currently available in the UK.

In 2018/19, we distributed University Scholarships to 798 students amounting to £798k, this being a slight reduction on last year because there were fewer qualifying students. We also awarded Access to Learning Funds of £284k, to 482 students and over 90% of eligible undergraduate students took a student fee loan from the Student Loan Company.

Wellbeing

The University's Wellbeing Service supported 1,270 unique students through 3,467 face to face appointments. The Counselling Service supported 156 students with psychological counselling. 698 students accessed Big White Wall, a 24/7 digital wellbeing service, which provides access to a moderated peer support network, online self-assessments and self-guided courses. Big White Wall is Care Quality Commission regulated and based on Cognitive Behavioural Therapy practices. Face to Face workshops covering topics such as mindfulness, anxiety and depression are run regularly through term time. Student Services' colleagues promote wellbeing across campus providing specialist guidance to academic and guidance staff across campus. Mental Health First Aid, a two-day course, ensured that in 2018/19, 34 additional university colleagues were trained to offer first line support and referral.

Care Leavers

A dedicated support worker provides a single point of contact, friendly face and champion to support care leavers to navigate university life. 36 care leavers accessed this support during 2018/19. Senior colleagues offer mentoring support to care leavers providing both support to the care leaver and powerful insight into different student journeys.

Faith Centre

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

Disability

There is a trend growth in the number of students enrolling with the University who declare a disability and, at the end of 2018-19, 2,557 students declared through either UCAS, direct entry applications, or during enrolment. 81% (2,082) of the students that declare are registered with Disability Services, with 85% requiring a Personal Learning Support Plan, which supports them to access an excellent learning experience. Disability Services facilitated 1,706 one to one appointments, helping students to access support and adjustments including specialist mentoring, study skills support and British Sign Language interpretation. These appointments generated over 13,235 case notes, which indicates the complexity of the work and liaison required to enable access to learning.

Disability Services provide advice and guidance to Schools regarding student support, reasonable adjustments and inclusive practice. Reductions in the provision of the Disabled Student Allowance continue to prompt the further development of inclusive practice to ensure the curriculum and learning is accessible by default. HudStudy, a collaboration with Computing and Library Services has provided a dedicated colleague to promote the use of assistive technology, through the training of both staff and students. The introduction of Lecture Capture continues to positively impact on all students including those with disabilities. A weekly Autism Friendly Lunch Club provides a valued space for students to meet and secure both peer and expert support. Mental

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

Health (28%) and Specific Learning Difficulties (33%) account for the majority of disabilities declared during 2018-19:

- 728 students declared a Mental Health condition. 613 registered with the Disability Service and were supported to access over 4,500 hours of 1-1 support.
- 841 students declared a Specific Learning Difficulty such as Dyslexia or Dyspraxia. 701 registered with the Disability Service and accessed over 5,400 hours of 1-1 tutor support.

The support provided to students with disabilities has a positive impact; in 2018-19, 76.2% of students declaring a disability achieved a good honours degree, above the whole population at 75.6%. (These figures are subject to confirmation following any appeals that may be made.)

Employable and Enterprising Graduates

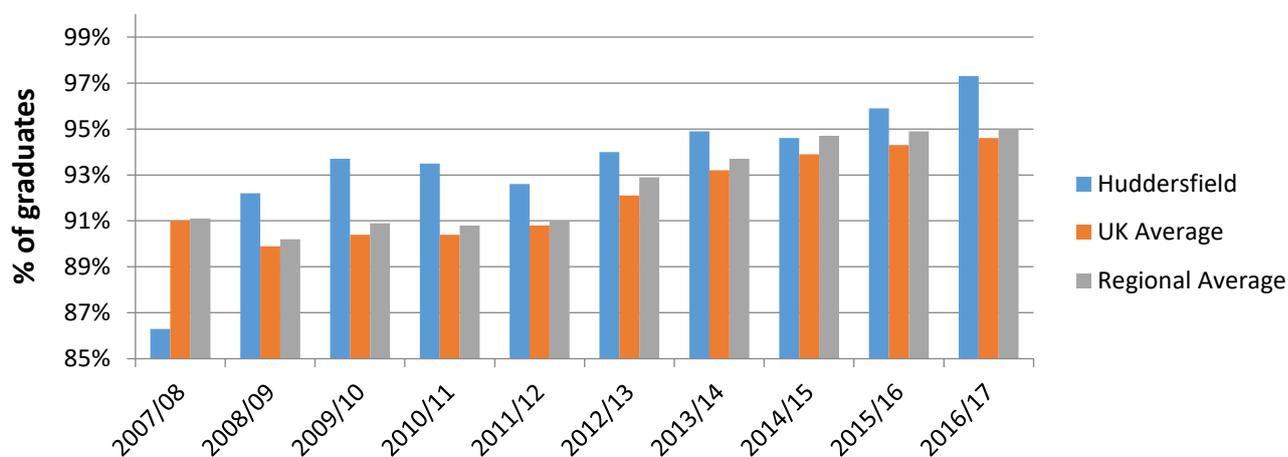
The University continues to be confident that its work in enhancing student employability is sector-leading, with a strong track record in producing talented graduates - ready to embark on successful careers. The Careers and Employability Service leads on this work within the University and in the 2018/19 academic year, the *MyCareer* digital careers interface registered a total of 41,744 student interactions. 1,699 students attended on-campus jobs fairs and workshops and 1,741 students accessed individual advice and guidance appointments.

Through our on-campus events and Recruiters-in-Residence programme, many of our current students took the opportunity to meet employers and explore future opportunities. The Jobshop was able to process and promote 12,012 high-quality, course-specific vacancies for our students and graduates.

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

Changes to the national framework for measuring graduate outcomes, migrating from the DLHE survey (6-months post-graduation), to the Graduate Outcomes survey (15 months post-graduation) requires that in 2018-19 we continue to rely on DLHE data from 2016 which confirms that 97.4% of our graduates are in employment and/or further study. The graph below demonstrates that we remain ahead of the sector and regional average for producing employable graduates.

Proportion of graduates in positive outcomes



Innovative Research Excellence and Enterprise

The University continues to build on the outstanding results achieved in the last HEFCE Research Excellence Framework (REF2014). The leap of 25 places in research power was recognised by the *Times Higher Education's Table of Excellence* as the third highest of the 154 higher educational institutions in the UK. In total, the University submitted 232.7 FTE academic staff across 13 Units of Assessment and REF results showed a significant increase in research which was recognised as "world leading" with the number of researchers producing work at this highest level of attainment. Preparations are in place for the next REF which will be submitted in 2020.

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

Our postgraduate research student population during the academic year 2018/19 was 1,183. We strongly endorse the principles of the national Concordats for the Career Development of Researchers, Research Integrity, and Public Engagement with Research to provide an exceptional environment for research and for the development of researchers and research careers.

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

The Grow Medtech project, funded by Research England, is now well established. In its first year, £140k has been secured for 16 projects, with a further £76k of projects under review at the time of writing.

Building on the success of the Grow Medtech project, the partners submitted a successful wave one UKRI Strength in Places bid and the University has had 5 projects accepted for the £18m business plan.



In 2017, the None in Three global research centre received a £4.3m award from the Global Challenges Research Fund to conduct a 4 year project in India, Jamaica and Uganda. In the 2018/19 financial year, the team used £1.2m of the grant and they have conducted qualitative research with approximately 120 survivors and 120 perpetrators of gender-based violence; quantitative research with around 20,000 surveys assessing the attitudes and exposure of young people to violence and abuse having been collected in Jamaica and Uganda; the Indian project partners hosted a mid-project summit in Mumbai in June 2019; culturally appropriate, evidence-based game development is progressing: plotlines are agreed; characters, environments and programming for game mechanics are all well under way. An online presence has been built by the centre in line with its commitment to public engagement and impact dissemination. www.noneinthree.org

The Institute for Railway Research was asked to support the Railenium SwitchTrack'En consortium in the Shift2Rail project resulting in a €228k agreement between Railenium and the University for completion of IN2TRACK 2.

An EPSRC capital grant of £804k was awarded to fund the Advanced Freeform Generator within Computing and Engineering.

The Leverhulme Trust awarded £336k for the research project Autobiographical acts in 17th-century England, Scotland, Wales and New England within Music, Humanities and Media. The School were also awarded two prestigious Marie Curie Fellowships, CEJaMS (€337k) and TVSM (€195k).

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

The University is currently running 14 Knowledge Transfer Partnerships.

The patent and license portfolio of the University continues to grow. It is anticipated SimplifAI will be launched as a spin-out in the coming year - a joint venture between the University and Kam Futures.

The Duke of York Young Entrepreneur Centre has provided support and advice to a range of students and graduates exploring, planning and running new businesses/social enterprises. In 2018/19, they provided workshops to 422 attendees, delivered 408 1:1 Business Advisor appointments, serviced 152 new initial enquiries and delivered an Enterprise Placement Year Programme to 17 third year undergraduate students. The number of new start-up businesses created in this period was 27. The Enterprise Team is also leading on the Enterprise strand of an Enterprise and Employability Strategy and an Enterprise Improvement Framework has been created to support the new University strategic map and an Enterprise/Employability Group created.

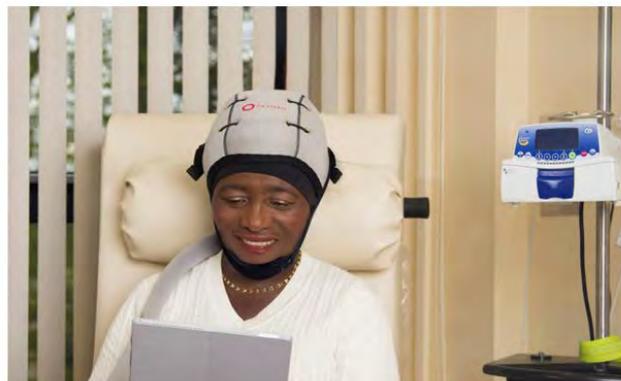
The Localis Report on 'Place, Learning and Entrepreneurialism' was published in 2018, in collaboration with University College London. The report was presented to the APPG for Entrepreneurship led by Lord Bilimoria. It highlights that supported northern start-up companies are more likely to succeed than their southern counterparts.

The University Enactus society was crowned 'Rookie UK Champion' at the Enactus UK national expo finals in London.

Our research covers a spectrum from 'blue skies' to user-inspired and applied research where outputs are close to end-user needs and are adopted in new products, services and policy. Given the nature of our research portfolio which encompasses professional and vocational research, beneficiaries of our research and knowledge transfer (KT) activity are wide ranging. Much of our research and KT activity has 'beneficiary' involvement from the outset through partnership or direct funding of the research. Organisations we engage with include:

- Multinational companies - 3M, Renishaw, Rolls Royce, Taylor Hobson (Ametek), Weir Group plc.
- Regional companies - Kromek, Blackhall Engineering, Ionix, HR Blowers, Andel, Cummins Turbo Tech., Reliance Precision, Severn Unival, AUS, Borg Warner.
- Charities and NGOs - Age UK, Action for Children, Arthritis Research UK, Cancer Research UK, NSPCC, Macmillan Cancer Support, RNIB, UNICEF.
- Public sector organisations - Rail Standards & Safety Board, National Physical Laboratory, Science & Technologies Facilities Council, NHS, dstl and the Food and Environment Research Agency.
- Museums and galleries - Royal Armouries, Yorkshire Sculpture Park, Henry Moore Foundation, Barbara Hepworth Gallery, National Coal Mining Museum.

Paxman Coolers Ltd and the University have agreed a five-year £1m research and collaboration agreement covering the Paxman Scalp Cooling Research Centre, a new multidisciplinary research group at the University. Its launch forms a joint research endeavour to advance knowledge and understanding in chemotherapy induced alopecia and its prevention.





The 3M BIC continues to be a primary route for business engagement, promoting the University's research capability, with an increasing number of research partnerships and collaborations being established, especially with local SMEs. The Centre welcomed Sue Cooke as its new CEO in April 2019. Sue is the former Executive Head of Economic Services at West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership (LEP).

The Huddersfield Incubation and Innovation Programme has been shortlisted for the 2019 THES award Knowledge Exchange Transfer Initiative of the Year and earlier in the year, won the Technology Investment category at the National Technology Awards.

The Leeds City Region Supply Chain ESIF/ERDF programme was signed in September 2018 and fully staffed and operational by March 2019, led by the Business Engagement Centre team in the 3M Buckley Innovation Centre. The £1.7m grant + £1.7m match to date (September 2019) has assisted 143 local SMEs and contracted 30 grants.

Business support networks and relationships with professional bodies and support organisations continue to grow. For example, key partners and intermediary organisations include: RTC North, MTA, Make UK, Chamber of Commerce, CKMA, LCR Growth Hub plus several regional and national professional service providers.

In terms of regional engagement, the Vice-Chancellor continued his membership of the Leeds City Region (LCR) LEP Board, and our Director of Research and Enterprise joined the LEP Business Innovation and Growth Panel. In addition the Director of Research and Enterprise continued as a member of the Make UK Regional Advisory Board. She also chairs the Yorkshire Universities Industrial Strategy Group which reports to the Yorkshire Universities Board.

Detriment or harm

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

Contribution to economic, social and cultural development

The University is a sponsor for the newly formed Huddersfield Unlimited. One of their key priorities is inward investment and providing support for existing Huddersfield businesses to grow. Joint working with Kirklees Council and the Mid Yorkshire Chamber of Commerce and Industry will develop over the next year.

The University has a history of close involvement with industry, business and its cultural community. The extent of that involvement is probably best illustrated by the fact that in terms of headcount we are in the top 15 HEIs in the UK for sandwich course placements and from DLHE data we estimate that 67.2% of our full-time, home, first degree graduates went on to work in the Yorkshire and Humber region after graduation.

The University connects with the world outside the campus, with links to a broad range of external organisations and professional bodies. Our connections help us to keep our courses relevant to the world of work and to ensure our students have good employability skills. Geography was a new subject area introduced in 2018/19 and BSc (Hons) courses are now available in Geography, Physical Geography and Human Geography.

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

We are the 3rd largest employer in Huddersfield and it is estimated (The economic impact of universities, report for Universities UK, October 2017) that we have a national economic impact of £375m of which £319m is within the region. 18.6% of our student population is from the EU or overseas and is contributing overseas investment and spend in our region.

We make major contributions to our community in terms of fashion, art, drama, media and music. We run the annual Huddersfield Literature Festival and we are a key sponsor and supporter of the Huddersfield Contemporary Music Festival.

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

International Renown

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

In Spring 2019 the Chancellor visited the University's Joint Programme in Fujian Normal University and awarded scholarships to a number of students, permitting them to travel to Huddersfield and to study with UK students.

A small party of Huddersfield students also visited Fujian Normal University alongside the Chancellor and stayed for a few days, working with their Chinese colleagues.



In July, His Excellency Liu Xiaoming, the Chinese Ambassador to the UK, received an honorary doctorate from the University and endorsed the University's application to open a Confucius Institute.

The Confucius Institute will provide Chinese language classes for our students, preparing them for their increasingly frequent trips to China.

Having raised some funds to support a number of disadvantaged children in a remote Chinese primary school, a number of students made the journey this year.

They were able to make the donation in person and spend some time with the children inside the classroom, and also get to know them during their break times.

An on-line news item surrounding the visit received tens of millions of views in China.



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

The World University Subject Rankings by QS have ranked the University's 'Performing Arts' 25th in the world.

The University's Business and Management subjects were ranked among the world's Top 351-400 institutions and Mechanical Engineering was ranked in the Top 400-450 band and 33rd in the UK.



Enhancing our standing, Developing our identity and Raising our profile

Our staff, students and alumni are influential across the globe in their chosen fields. Our marketing and communications activity aims to maintain the University's reputation to ensure that alumni can remain proud of their association with Huddersfield, and to raise our profile with new partners to open up new possibilities for collaboration. To achieve this, we seek to ensure that those who commission research or business support are aware of the knowledge and skills that are available through working in partnership with the University. Another key focus is our work with those who may advise students about their choice of University. Our profile raising work includes media relations, social media activity, holding a range of events on campus and inviting key influencers into the University to see the work we do. We embrace the principles of corporate social responsibility, recognising our impact on students, staff and the local community.

Equal Opportunities and Employment of Disabled Persons

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

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

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

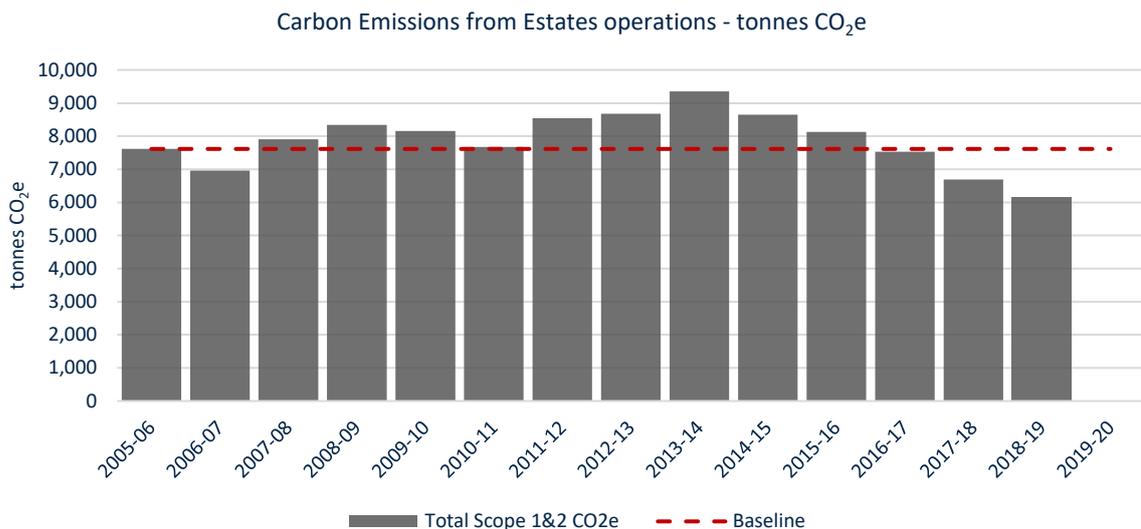
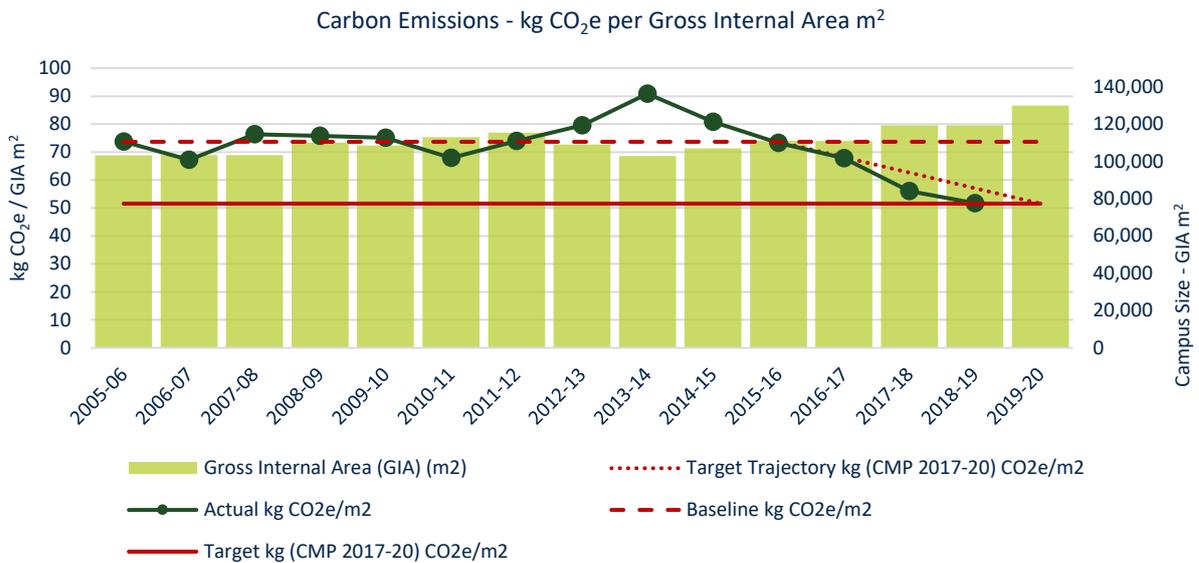


Environmental and Social Sustainability

Energy Management and carbon reduction

The University has reached its target to achieve a **30%** reduction in kg of CO₂e per m² of gross internal area by 2019/20 from the 2005/06 baseline a year early and is on track to reduce even further by the end of the 2019/20 academic year. In line with the University's new Strategic Plan a new carbon reduction target will be established to 2025 to enable further reductions and a revised Carbon Management Strategy will be developed and implemented in order to achieve this.

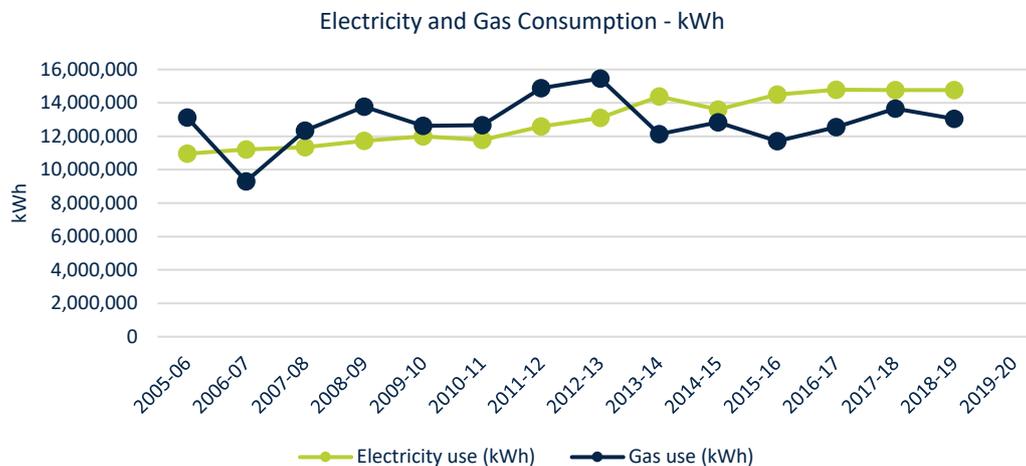
By reducing the emissions to 51.7 kg CO₂e/m² the University's carbon emissions from estates operations has fallen to 6,172 tonnes CO₂e from a baseline of 7,614 – representing a reduction of 7.7% over 2018/19 and 19% from the baseline despite the University increasing in size by over 15% from the baseline year.



Gas use reduced by 4% between 2017/18 and 2018/19 even though it was a much colder year that required more hours of heating operation. Benchmarked against the weather the gas consumption would have reduced by nearly 18% over the time period if the weather had been the same.

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

Electricity use has continued to be stable overall. An increase in research activities and the energy for new building construction projects has been mitigated through efficiency projects such as LED lighting replacements and Building Management System optimisation.



Barbara Hepworth Building, the new home of Art, Design and Architecture, has incorporated automatically controlled natural ventilation into the management of the building, to maintain comfort and wellbeing. In cold weather the windows will close and the heating will enable. In warm weather natural ventilation will maintain the internal temperature up to a level before the cooling systems enable.

Applied Sciences new teaching building, Joseph Priestley East, has been designed to significantly reduce the demand for air-flow when the fume-cupboards are disabled – one of the greatest costs of operating a scientific laboratory.

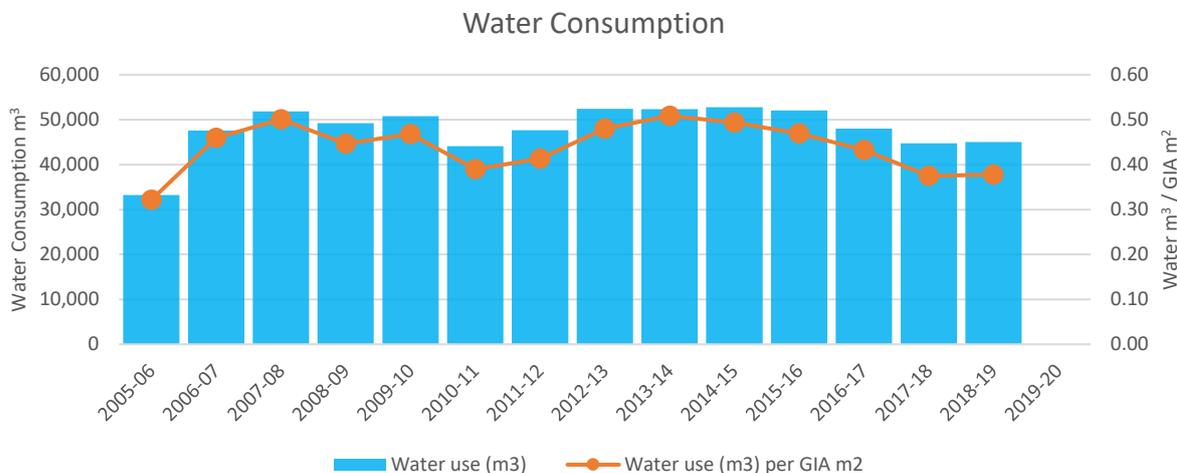
The Joseph Priestley West heating systems are being replaced by modern high-efficiency modular condensing boilers and a 50kW Combined Heat and Power Unit (CHP). By combining this with improved Building Management System controls, the University will be able to heat Joseph Priestley West, Ramsden and Cockcroft buildings more efficiently and generate electricity at the same time.

The cooling for the Schwann Building is being replaced by a modern high-efficiency adiabatic cooling system. Originally designed and installed over 30 years ago, the previous system was a ground-breaking method of providing efficient cooling using canal water. The new system uses atmospheric conditions to provide the majority of the cooling, at a much greater efficiency than a traditional air-conditioning unit.

The cooling in Data Centre 1, located in Schwann Building, is also being replaced with adiabatic cooling to dramatically reduce the cooling demand for operating the University's computing systems.

Water Consumption

Water consumption has stabilised on campus but it should be noted that this includes the water consumed in the construction of both Barbara Hepworth and Joseph Priestley East Buildings.



Waste

The University has begun piloting new waste management streams during 2018/19 in order to reduce contamination and ensure the collection of good quality recyclable material. This has resulted in an improvement with an average of 59.4% of waste being recycled between June and August.

Paper and cardboard: new paper and cardboard bins have been piloted in the library and offices covering a quarter of the University. Local firm Sonoco collect and process the paper at their site in Greetland. Following the success of the pilot, the scheme will now be expanded across the campus.



Each week the University generates an average of 325kg of used Coffee Grounds. Since February 2019, all used coffee grounds from catering outlets are diverted from general waste and into compost both onsite for use by the grounds maintenance team, and also to the HarvestHud growing project at Storthes Hall allotments run by the Students’ Union Allotment and Gardening Society; any excess produce is then purchased by the University to be used in the central kitchen and served to staff and students at International Kitchen.

The University has recently segregated Food Waste from the central campus kitchen. ReFood UK collect food waste weekly and transport it to their anaerobic digestion plant in Doncaster. Since June 2019, an average of 1,467kg of food waste has been diverted from incineration each month.

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

Travel

The University continues to promote active and sustainable travel incentives to staff and students. Staff uptake of the Metrocard, Northern Rail Season Ticket and Halfords Cycle2Work scheme is actively promoted through a series of campaigns and events, such as the 2019 Wellbeing and Benefits Fair where travel providers are invited to speak to staff about the schemes available.

Cycling at the University is being encouraged through a series of promotions and events, including surveys, Bike-in-Breakfasts and the development of a Bike User Group (HudBUG).



Catering

The University has been working towards the new 'University and College Fairtrade Standard' continuing to engage with Fairtrade at the University and in the wider community through the Kirklees Fairtrade Forum. The University continues to support and promote Fairtrade through a series of communications and events including Fairtrade Fortnight, The Welcome Festival and seminars. The University held a variety of events during Fairtrade Fortnight in February 2019, once again closing the fortnight with a large celebration event with the Kirklees community, organised on campus by final year events management students.

'Veggie Hut', a new vegetarian and vegan restaurant was opened on campus in September 2018, serving staff and students, and offering taster events to encourage customers to reduce their meat consumption. The excellent selection of vegetarian and vegan options on offer across all University catering outlets has resulted in the University being recognised on the official Peta Top 20 Vegan Friendly Universities.

Where possible the University purchases local produce, or food with the following accreditations:

- Good Egg Award
- Marine Stewardship Council
- Red Tractor
- Rainforest Alliance

Grounds Maintenance

In 2018 the University moved its grounds maintenance in house. New planting schemes have increased the variety of native species and planted new fruit trees on the campus. Further planting of native species, wild flowers, edible fruit trees and summer fruits has been scheduled for the next year to promote wildlife and biodiversity, as well as for the enjoyment of staff, students and visitors.

The University has continued its partnership with Kirklees College, since the 2017/18 academic year the foundation students have participated in tasks such as vegetation clearing, habitat creation, footpath maintenance and building planters from recycled pallets. Additionally, the university is now offering work experience to foundation students with the Grounds Maintenance Team during term time.

Green Projects

In Spring 2019 a new network of Sustainability Champions was developed, inviting staff from all schools and services, including the Students' Union and the 3M BIC, to engage directly with the Sustainability Team and environmental projects at the University. Members of the network meet regularly to discuss project areas and act as a communication channel for the University, communicating important sustainability messages to their colleagues.

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



Acting upon the recommendations of the library staff, the University started a new project in the summer of 2019 to create mini-allotments on site for staff to tend on their lunch breaks. Since their launch a number of schools and services have adopted an allotment planter and have grown a variety of produce including courgettes, strawberries, tomatoes and many bean varieties. Since its launch, the allotment group has become a social hub, encouraging interaction and engagement across departments.

Throughout 2019 the University has teamed up with Huddersfield Student' Union on a variety of new and existing projects to promote sustainability here in Huddersfield.

- Support the Students' Union in their 'Clear Out' campaign, which works with the British Heart Foundation and 'The Welcome Centre' foodbank to collect donations from students as they leave the University and Huddersfield for the summer.
- Support for the HarvestHud growing project, purchasing fruit and vegetables to be served through the University's catering outlets.
- The University has also supported the establishment of the new 'Greener Campus' Society, working with one of the Students' Union 'Inspiring Future Leaders' to facilitate EcoBrick workshops, beach cleans and litter picks.



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

Financial Performance

Accounting Policies

The University updated its principal accounting policies in 2015/16 following the adoption of FRS102 and there have been no changes of accounting policy in 2018/19. The accounting policies which are critical to interpretation of the results relate to the accounting for our share of the West Yorkshire Pension Fund assets and liabilities under pension obligations (see note 25); a revaluation of land and buildings every 5 years, which last took place in 2015 and significantly increased the value of the University's assets (see note 11); and the recognition of research grant and contract income which is included to the extent that the performance conditions for the receipt of non-government revenue have been complied with and the accrual method is applied to government revenue.

Results for the year

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

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Income	172,517	172,891
Expenditure	(171,980)	(159,260)
Surplus for the year before other gains and tax	537	13,631
Gains on investments	308	6,232
Surplus before taxation	845	19,863
Taxation	18	(41)
Surplus after taxation	863	19,822
Actuarial (loss)/gain in respect of pension schemes	(36,014)	12,478
Pension settlement costs	-	434
Pension net decrease in assets	(917)	-
Movement on endowments	33	116
Total comprehensive (loss)/income for the year	<u>(36,035)</u>	<u>32,850</u>

The University is pleased to record a surplus before tax for the year at 0.5% of total income.

Total income decreased by 0.2%. A further fall in Funding Council income was offset by higher tuition fee income from home and EU students and an increase in investment income.

The underlying staff cost (excluding amounts paid for loss of office) to income ratio increased to 65.5% from 58.7%.

Operating expenses increased to 28.4% of total income from 27.7%.

Significant balance sheet movements arose from:

- A decrease in cash balances and investments of £14.7m.
- An increase of £52.5m in the calculation of our pension liabilities (following a decrease of £7.4m in the previous year).

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

Total balance sheet funds decreased by £36.0m or 12.5% during the year (following an increase of 15.7% in the previous year).

Capital Investment

Maintaining capital investment of £41m in 2018/19 was critical to the recruitment of our students, their experience whilst they are with us and the delivery of inspirational teaching and learning which is one of the University's key strategic objectives. That investment is funded through our own resources by retaining sufficient surpluses to generate the cash required.

Cash Flow

The consolidated cash flow statement shows an increase in cash balances of £21.4m before capital expenditure (net of grants received), which was largely the result of cash generated from operating activities. Liquidity at the year end represented 293 days of expenditure, (Investments plus cash / Total expenditure less depreciation x 365 days), compared with a sector average of 140 days for 2016/17.

The University has a target for generating sufficient cash to fund its estates and other strategic objectives which was achieved in 2018/19. Our strategy is to pay for estate developments out of current earnings and only to borrow when accelerating the estate strategy would contribute to the achievement of our overall strategic aims.

The University was able to decrease its liquid funds by only £14.7m, despite significant capital expenditure in the year.

Our surplus cash is invested at low to medium risk and for capital growth rather than income.

Financial Outlook and Liquidity

The University's financial forecast for the period to July 2024 demonstrates the sustainability of our strategy to retain sufficient surpluses to invest in improving the student experience; at the same time as maintaining liquidity and managing risks to our future financial strength. Over several years, we have retained an additional contingency primarily by generating income growth and containing costs, so that adverse economic conditions can be managed without endangering our underlying surplus. Key Financial Indicators are the level of operating surplus as a percentage of income and staff costs as a percentage of income, the control of which is key to delivering the cash for our strategic needs. Further details on Key Financial Indicators are included below.

Going Concern

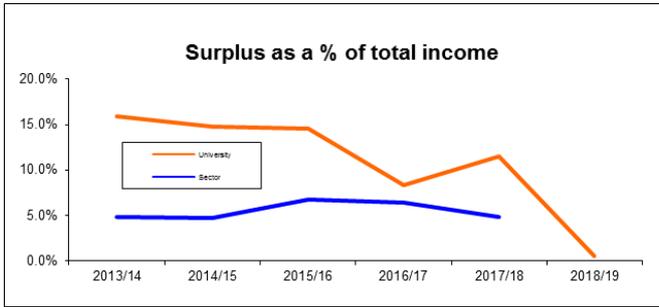
The University has a reasonable expectation that there will be adequate resources to continue in operational existence for the foreseeable future. The Financial Forecast submitted to the OfS in December 2019 for the period to 31 July 2024 demonstrates surpluses in each of the forecast years, with strong cash balances (despite incurring significant capital expenditure), and no debt requirement, based on a conservative set of assumptions for future income and expenditure.

Financial Sustainability

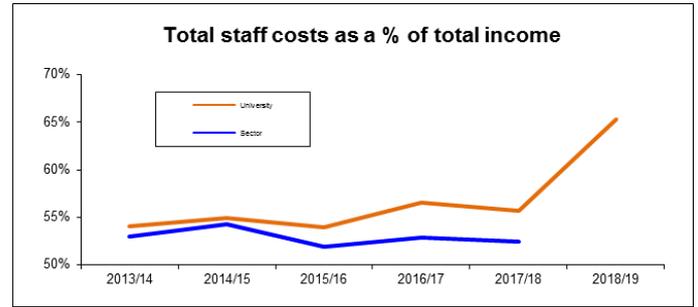
Three of our University KPIs relate directly to financial performance. The following ratios represent some of the Key Financial Indicators which are recognised across the Higher Education Sector and can indicate the financial health of a University relative to its peers. They are shown for the University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

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

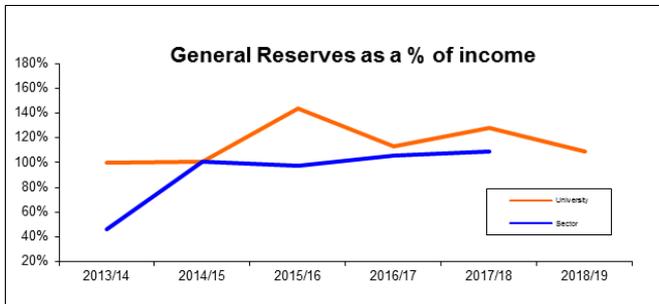
Comparative results for the last 5 years show the following trends:



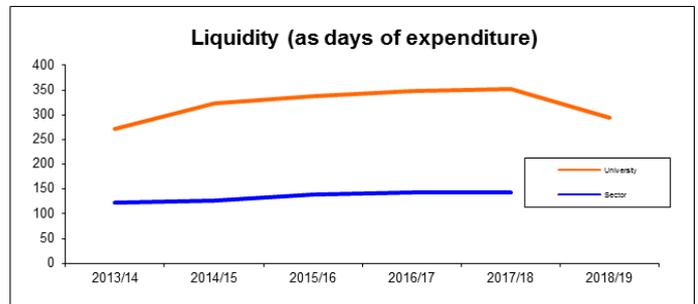
The University's surplus continues to be higher than the sector average.



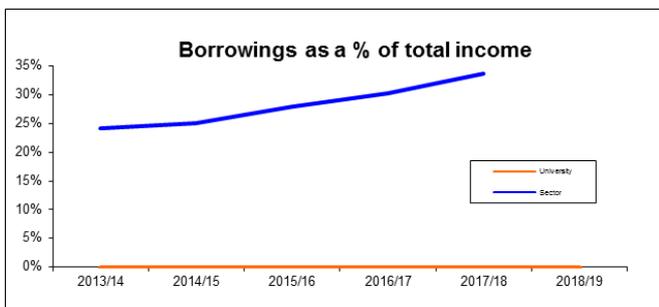
The University's staffing cost as a % of income is above the sector average.



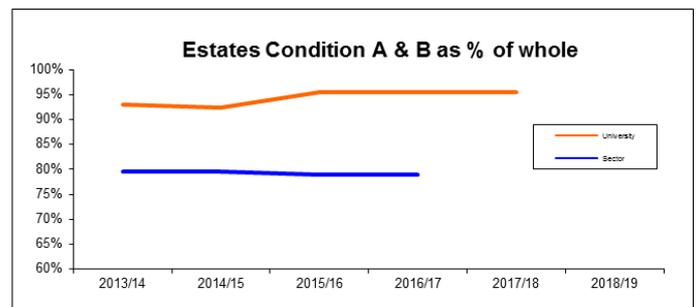
The University's reserves are above the average for the sector.



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



The University has no borrowings.



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

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

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

Key Risks

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

- cuts in government funding for HE teaching, including changes in policy on tuition fees;
- the open market competitive environment for the recruitment of home, EU and overseas students;
- our ability to recover the full economic cost of our key activities;
- cash limited research funding and its allocation;
- pay and pension costs increasing at a faster pace than our income; and
- the effect of Brexit on tuition fee income, research grants, staffing, etc.

Our response to these risks has been:

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

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

Disclosure of Information to Auditors

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

Insurance for Officers

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

Political and Charitable Contributions

There were no political or charitable contributions during the year.

The Trade Unions

The Trade Unions (Facility Time Publication Requirements) Regulations 2018 require the University to publish information on trade union facility time annually. Facility Time is the provision of paid or unpaid time off from an employee's normal role to undertake TU duties and activities as a TU representative. For the period 1 April 2018 to 31 March 2019 the total number of employees who were relevant union officials during the relevant period was 22 (20.35 FTES). These employees spent between 1-50% of their working hours on facility time at a total cost of £54,823.22 representing 0.05% of the total pay bill for the period. The time spent on paid trade union activities as a percentage of total paid facility time hours calculated was 36.48%.

Payment of Creditors

The University is fully committed to the prompt payment of its suppliers' bills and is accredited by the Confederation of British Industry's Prompt Payment Code. The University aims to pay bills in accordance with agreed contractual conditions or, where no such conditions exist, within 30 days of receipt of goods or services or the presentation of a valid notice, whichever is the later. The average number of days taken to clear invoices in 2018/19 was 18 days.

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

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The University is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the Members of Council, the University complies with the Higher Education Code of Governance (“the Code”) which was issued by the Committee of University Chairs (CUC) in December 2014 and has complied throughout the year ended 31 July 2019. The following information is to help the reader of the accounts understand how the principles of corporate governance have been applied.

The Code includes “must”, “should” and “could” statements; the University Secretary and Vice-Chair of Council conducted a gap analysis of the University’s performance against each of the Code’s provisions, which was summarised and presented to University Council at its meeting on 26 March 2015. The University requested that its internal auditors review the University’s compliance in this regard. Their report confirmed substantial assurance in that the University complied with the “must” statements in the Code. The University Secretary and Vice-Chair have subsequently completed a further annual review of compliance with the “must” statements, the latest of which was presented to University Council at its meeting on 23 November 2017. This was reviewed by Pinsent Masons LLP as part of their formal governance effectiveness review (July 2018) and they agreed with this appraisal. In accordance with the requirements of the Code, members of the University Council confirm that the University has in place all of the primary elements and meets the requirements of the supporting “must” statements.

COUNCIL

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

	Date of Appointment	Date of Retirement or End of Initial Term of Office	Committees Served
External Members			
Mr C J Brown	1 January 2001	31 July 2019	Chair of Council Estates Development Committee Chair of Governance & Membership Committee Honorary Awards Committee Senior Post Holder Remuneration and Senior Staff Remuneration Advisory Committees
Mr R Cox	1 August 2018	31 July 2021	Audit Committee
Mr R Davies	1 August 2018	31 July 2021	Audit Committee
Mr M Fisher	30 March 2006	31 July 2021	Chair of Estates Development Committee
Mrs J Harris	16 November 2010	31 July 2019	Governance & Membership Committee Honorary Awards Committee
Mrs V Lloyd	3 July 2014	31 July 2020	Governance and Membership Committee Honorary Awards Committee
Baroness K Pinnock	1 August 2016	31 July 2022	Audit Committee Governance & Membership Committee Honorary Awards Committee
Professor I Pollock-Hulf	1 August 2015	31 July 2021	Estates Development Committee
Mrs H Thomson	16 November 2010	31 July 2022	Audit Committee (Chair from 01/06/19) Estates Development Committee (until 31/05/19) Senior Post Holder Remuneration and Senior Staff Remuneration Advisory Committees (from 01/06/19)
Mr J Thornton	20 July 2006	31 July 2022	Chair Elect and Vice-Chair of Council Chair of Audit Committee (until 31/05/19) Chair of Senior Post Holder Remuneration and Senior Staff Remuneration Advisory Committees
Co-opted Members			
Professor T Thornton	1 August 2015	Ex-officio	Estates Development Committee Governance & Membership Committee
Members Nominated by Senate (Teaching Staff)			
Dr J Lane	1 August 2015	31 July 2021	
Professor J Johnes	1 August 2018	31 July 2020	
Members Nominated by Senate (Admin Staff)			
Mr R Quayle	22 September 2017	31 July 2020	
Student Member			
Mr J Stephens	3 July 2018	Ex-officio	Honorary Awards Committee
Vice-Chancellor and Principal			
Professor R A Cryan	1 January 2007	Ex-officio	Chair of Honorary Awards Committee Estates Development Committee Governance & Membership Committee Senior Staff Remuneration Advisory Committee Chair of Senate

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

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

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

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

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

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

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

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

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

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

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

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

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

The Audit Committee meets four times a year with the University's external and internal auditors in attendance. It establishes and reviews procedures for auditing the University's activities. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plan. It provides oversight of the University's risk management procedures. It also receives and considers reports from the OfS as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee, as necessary, they are not members of the Committee. Once a year the Committee meets the internal and external auditors on their own for independent discussions.

A significant proportion of the membership of these committees consists of external and co-opted members of the Council, other than student and staff members, who are not eligible to serve on these committees, with the exception of staff members on the Governance and Membership Committee.

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

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

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

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

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

INTERNAL CONTROL

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

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2019 and up to the date of approval of the financial statements and accords with OfS guidance.

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

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

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

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

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

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

The internal control system used to manage risk will continue:

- to be embedded within the operation of the University, forming an integral part of its culture. It should be viewed as a continuum, a constant checking of the radar for trouble ahead;
- to be capable of responding quickly to evolving risks to the University arising from factors within the University and to changes in the external environment;
- to include a reporting culture in which any failings or weaknesses in the control systems are reported to appropriate levels of management and corrective action duly taken - i.e. embedding a culture in which the second person to know about a failure is the line manager of the discoverer; and
- to be the ultimate responsibility of the Vice-Chancellor with operational responsibility devolved to the University's Senior Leadership Team.

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

- a) Council meets regularly to consider the plans and strategic direction of the University.
- b) Council receives feedback from the Audit Committee on matters of internal control considered and debated by the Audit Committee. Council is routinely informed and consulted on key business decisions, the risks associated with them and the proposed management approach. Systems have been established to report risk to Council more explicitly in the form of the corporate risk register and as part of the financial forecasts.
- c) Council has established the University's Senior Leadership Team as the University's risk committee, charged with reviewing and updating the corporate risk register. The Audit Committee provides oversight of the processes involved.
- d) The Audit Committee receives regular reports from the internal audit service, which includes its independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

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

- e) At a corporate level, risks are identified and discussed by the Senior Leadership Team, informed by formal and informal information flows between management, groups, committees and staff. The Senior Leadership Team reviews and where appropriate updates the corporate risk register. Guidance has been issued to Schools and Services which encourages their management teams to consider the key risks their areas face. The Senior Leadership Team explores and considers the risks identified by Schools and Services as part of the annual planning round.
- f) Risk awareness is raised through:
 - Risk being incorporated within the Management Development Programme and staff induction courses;
 - The planning and contextual documentation which is provided to Deans and Directors offering risk management guidance and being supplemented by discussions during the planning round; and
 - Deans and Directors discussing risk with their management teams during the planning round.
- g) Risks are linked to the key corporate objectives for which detailed key performance indicators have been derived.
- h) Risks have been prioritised on the basis of likelihood and impact. This assessment has been made both before and after considering the internal controls in place. The Senior Leadership Team has considered the risk priorities in order to distil the corporate risk register.
- i) An organisation-wide risk register is maintained. This is further informed by the risk registers completed by Schools and Services which are presented to Senior Leadership Team as part of the planning round.
- j) Council receives reports and updates on key risks and their management as part of routinely scheduled Council and Committee business.

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

Council's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The OfS Assurance Service currently make an annual assessment of the relative risk attaching to each institution being either "at higher risk" or "not at higher risk". This is based upon any audit work they have done in the year and upon information supplied and returns made to comply with the Audit Code of Practice. In April 2018, the Assurance Service concluded that the University "is not at higher risk" and is meeting its accountability obligations set out in the Memorandum of Assurance and Accountability (now superseded by the OfS and Research England terms and conditions of funding).

The University Council has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that has been in place for the year ended 31 July 2019 and up to the date of approval of the annual report and accounts, that it is regularly reviewed by the University Council and that it accords with the internal control guidance for governing bodies in the HE Code of Governance, which was issued by the CUC in December 2014.

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

STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY COUNCIL

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

The University Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's Articles of Government, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and other relevant accounting standards. The Council is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

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

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

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

The University Council has taken reasonable steps to:

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

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

The Council confirm that:

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

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short term planning process, supplemented by annual budgets;

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

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

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

AUDITORS

A resolution to appoint Grant Thornton UK LLP as external auditor will be put to the University Council Meeting on 27 November 2019.

Mr J Thornton
Chair
27 November 2019

THE UNIVERSITY OF HUDDERSFIELD
INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the University of Huddersfield (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2019, which comprise consolidated and University statement of comprehensive income, the consolidated and University statement of changes in reserves, the consolidated and University balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent university's affairs as at 31 July 2019 and of the group's and parent university's income and expenditure, gains and losses, changes in reserves and group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014.

Basis for opinion

We have been appointed as auditor under the Education Reform Act 1988 and report in accordance with regulations made under those Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Council are responsible for the other information. The other information comprises the information included in the Report of the University Council: Operating and Financial Review and Statement of Corporate Governance and Internal Control set out on pages 3 to 31, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Student's ('OfS') Terms and conditions of funding for higher education institutions (issued March 2018) and the OfS's accounts direction (issued June 2018)

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 and Research England have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them, and
- the requirements of the OfS's accounts direction (issued June 2018) have been met.

Responsibilities of Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council set out on 33, the Council is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the university's Council, as a body, in accordance with paragraph 9 of the university's articles of government. Our audit work has been undertaken so that we might state to the university's Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the university and the university's Council as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
27 November 2019

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard FRS102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

The financial statements are presented in sterling (£).

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over its policy decisions.

Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying or when it becomes non-refundable. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Investment and cash income are credited to the Statement of Income and Expenditure on a receivable basis.

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

Grant funding

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

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

Foreign currency translation

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

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

Pension schemes

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

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

The assets of the WYPF are measured using closing market values. WYPF liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Further details of the pension schemes are given in Note 25.

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

Enhanced pensions

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

Employment benefits

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

Tangible fixed assets

a. Land and buildings

The University's land and buildings are stated at valuation, unless acquired since the latest revaluation date in which case stated at cost. The University adopts a revaluation policy in relation to freehold and long leasehold land and buildings on a five year cycle or at an earlier date if there are indications that the valuation has materially changed. Increases in value are taken to the revaluation reserve except to the extent that they reverse revaluation losses on the same asset that were previously recognised in the income and expenditure account, in which case they are recognised in the income and expenditure account. Freehold and long leasehold land is not depreciated. Freehold and long leasehold buildings are depreciated over their expected useful economic lives to the University of 50 years for new build and 40 years for buildings revalued as at 31 July 2015. Short leasehold land is depreciated over the lives of leases. Capital additions are depreciated in full in the year of acquisition and none in the year of disposal. Component accounting has been applied to new build assets in order to recognise that elements of an asset have different useful economic lives and therefore a new category of plant and machinery has been introduced with a depreciation rate of 25 years.

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

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

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

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

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

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

b. Equipment

Equipment costing less than £25,000 is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. As part of component accounting, the University has introduced a new category, plant and machinery. This is included in equipment and is applied only to new builds in relation to the elements of the asset which are deemed to have a shorter useful economic life. Capitalised equipment is depreciated over its useful economic life as follows:

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

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

c. Subsequent expenditure on existing fixed assets

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

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

Leased assets

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

Investments

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

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

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

Taxation

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

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

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

Provisions

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

Accounting for charitable donations

a. Unrestricted donations

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

b. Endowment funds

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

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

c. Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

Cash flows and cash equivalents

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

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

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

Reserves

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

Financial assets

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

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

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

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

Financial liabilities

Basic financial liabilities include trade and other payables and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

Significant accounting estimates and judgements

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

a. Estimates in pension costs

The University has obligations to pay pension benefits to certain employees who are members of the West Yorkshire Pension Fund (WYPF), a scheme accounted for as a defined benefit plan. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations, the duration of liabilities and the discount rate on corporate bonds. Management estimates these factors, using external professional advice, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

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

The University has obligations to pay pension benefits to certain employees who are members of the Universities Superannuation Scheme (USS), a defined benefit scheme. The University has committed to contribute to a deficit recovery plan for the scheme and management has calculated a provision for these costs in the balance sheet. The present value of the obligation depends on a number of factors including life expectancy, salary increases, staff changes, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using external professional advice, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

b. Estimates and judgements in depreciation

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

c. Judgements in classifying leases

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

d. Estimates and judgements in accruals and provisions

Short term employee benefits are charged to the Statement of Comprehensive Income and Expenditure as the employee service is received. An accrual is made for the cost of paid annual leave that has not been used at the financial year-end. The accrual requires a calculation of outstanding holiday balances based on a review of holiday records of academic, administrative and other staff. The assessment of this data requires management's judgement.

e. Judgements in fixed assets

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

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	132,657	132,645	133,998	133,972
Funding body grants	2	16,047	16,047	16,499	16,499
Research grants and contracts	3	12,674	11,637	11,102	10,016
Other income	4	8,034	6,810	8,818	6,969
Investment income	5	3,104	3,151	2,474	2,520
Donations and endowments	6	1	1	-	-
Total income		172,517	170,291	172,891	169,976
Expenditure					
Staff costs	7	113,068	111,405	101,511	99,864
Other operating expenses	9	48,999	48,134	47,831	47,193
Depreciation	11	8,289	8,201	8,256	8,161
Interest and other finance costs	8	1,624	1,624	1,662	1,662
Total expenditure		171,980	169,364	159,260	156,880
Surplus for year before other gains		537	927	13,631	13,096
Gain on investments		308	308	6,232	6,232
Surplus before taxation		845	1,235	19,863	19,328
Taxation	10	18	2	(41)	-
Surplus for the year after taxation		863	1,237	19,822	19,328
Actuarial (loss)/gain in respect of pension schemes	25	(36,014)	(36,014)	12,478	12,478
Pension settlement costs	25	-	-	434	434
Pension net decrease in assets	25	(917)	(917)	-	-
Movement on endowments	20	33	33	116	116
Total comprehensive (loss)/income for the year		(36,035)	(35,661)	32,850	32,356
Represented by:					
Endowment comprehensive income for the year		33	33	116	116
Restricted comprehensive income for the year		(92)	(16)	258	3
Unrestricted comprehensive income for the year		(34,317)	(34,019)	34,134	33,895
Revaluation reserve comprehensive income for the year		(1,659)	(1,659)	(1,658)	(1,658)
Attributable to the University		(36,035)	(35,661)	32,850	32,356

All items of income and expenditure relate to continuing activities.

Consolidated Statement of Changes in Reserves

Consolidated	Income and expenditure reserve			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000		
Balance at 1 August 2017	2,520	121	185,126	68,656	256,423
Surplus/(deficit) from the income and expenditure statement	-	258	19,564	-	19,822
Other comprehensive income	-	-	12,912	-	12,912
Transfers between revaluation and income and expenditure reserve	-	-	1,658	(1,658)	-
Endowment funding	116	-	-	-	116
Total comprehensive income for the year	116	258	34,134	(1,658)	32,850
Balance at 1 August 2018	2,636	379	219,260	66,998	289,273
Surplus/(deficit) from the income and expenditure statement	-	(92)	955	-	863
Other comprehensive income	-	-	(36,931)	-	(36,931)
Transfers between revaluation and income and expenditure reserve	-	-	1,659	(1,659)	-
Endowment funding	33	-	-	-	33
Total comprehensive income for the year	33	(92)	(34,317)	(1,659)	(36,035)
Balance at 31 July 2019	2,669	287	184,943	65,339	253,238
University	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2017	2,520	69	185,694	68,656	256,939
Surplus/(deficit) from the income and expenditure statement	-	3	19,325	-	19,328
Other comprehensive income	-	-	12,912	-	12,912
Transfers between revaluation and income and expenditure reserve	-	-	1,658	(1,658)	-
Endowment funding	116	-	-	-	116
Total comprehensive income for the year	116	3	33,895	(1,658)	32,356
Balance at 1 August 2018	2,636	72	219,589	66,998	289,295
Surplus/(deficit) from the income and expenditure statement	-	(16)	1,253	-	1,237
Other comprehensive income	-	-	(36,931)	-	(36,931)
Transfers between revaluation and income and expenditure reserve	-	-	1,659	(1,659)	-
Endowment funding	33	-	-	-	33
Total comprehensive income for the year	33	(16)	(34,019)	(1,659)	(35,661)
Balance at 31 July 2019	2,669	56	185,570	65,339	253,634

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019

Consolidated and University Balance Sheet

	Notes	As at 31 July 2019		As at 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	280,213	279,818	245,936	245,454
Investments	12	32	82	32	82
		280,245	279,900	245,968	245,536
Current assets					
Trade and other receivables	14	15,673	16,168	15,255	15,694
Investments	15	54,226	54,226	51,968	51,968
Cash and cash equivalents	21	77,062	76,925	93,984	93,917
		146,961	147,319	161,207	161,579
Less: Creditors: amounts falling due within one year	16	(34,306)	(33,923)	(32,305)	(32,223)
Net current assets		112,655	113,396	128,902	129,356
Total assets less current liabilities		392,900	393,296	374,870	374,892
Creditors: amounts falling due after more than one year	17	(26,773)	(26,773)	(25,188)	(25,188)
Provisions					
Pension provisions	18	(112,889)	(112,889)	(60,409)	(60,409)
Total net assets		253,238	253,634	289,273	289,295
Restricted Reserves					
Income and expenditure reserve - endowment	20	2,669	2,669	2,636	2,636
Income and expenditure reserve - restricted		287	56	379	72
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		184,943	185,570	219,260	219,589
Revaluation reserve		65,339	65,339	66,998	66,998
Total Reserves		253,238	253,634	289,273	289,295

The financial statements on pages 34 to 60 were approved by the University Council on 27 November 2019 and were signed on its behalf by:

PROFESSOR R A CRYAN, CBE
Vice-Chancellor

MR J THORNTON
Chair

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019

Consolidated Statement of Cash Flows

	Notes	31 July 2019 £'000	31 July 2018 £'000
Cash flow from operating activities			
Surplus for the year after taxation		863	19,822
Adjustment for non-cash items			
Depreciation	11	8,289	8,256
Gain on investment		(308)	(6,232)
Decrease in debtors		(1,443)	4,576
(Decrease)/increase in creditors		1,030	(6,644)
Increase in pension provision		15,549	5,480
Adjustment for investing or financing activities			
Investment income	5	(3,099)	(2,472)
Interest payable	8	-	-
Endowment income		(8)	(2)
Capital grant income		(2,275)	(802)
Net cash inflow from operating activities		18,598	21,982
Cash flows from investing activities			
Proceeds from sales of fixed assets	11	-	77
Capital grant receipts		4,546	4,638
Withdrawal of deposits		(1,911)	(1,912)
Investment income		2,843	1,930
Payments made to acquire fixed assets		(41,000)	(26,221)
New deposits		1	101
		(35,521)	(21,387)
Cash flows from financing activities			
Endowment cash received		1	101
		1	101
(Decrease)/Increase in cash and cash equivalents in the year		(16,922)	696
Cash and cash equivalents at beginning of the year	21	93,984	93,288
Cash and cash equivalents at end of the year	21	77,062	93,984

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS

	Notes	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts					
Full-time home and EU students		92,646	92,646	91,255	91,255
Full-time international students		26,663	26,663	26,729	26,729
Part-time students		2,749	2,749	2,661	2,661
NHS Workforce Development Confederation Contracts		5,800	5,800	8,694	8,694
Research Training Support Grant		252	252	184	184
Educational Contracts		3,211	3,211	2,972	2,972
Non Credit Bearing Course Fees		1,336	1,324	1,503	1,477
		132,657	132,645	133,998	133,972
2 Funding body grants					
Recurrent grant					
Higher Education Funding Council		-	-	8,480	8,480
Office for Students		7,969	7,969	3,658	3,658
UK Research and Innovation		5,524	5,524	1,850	1,850
Specific grants					
Higher Education Innovation Fund		1,213	1,213	1,327	1,327
Office for Students Other		3	3	23	23
Department for Education		150	150	123	123
Capital grant		1,188	1,188	1,038	1,038
		16,047	16,047	16,499	16,499
3 Research grants and contracts					
Research councils		5,450	5,450	3,778	3,778
Research charities		800	777	965	965
Government (UK and overseas)		3,845	3,813	3,679	3,605
Industry and commerce		2,257	1,275	1,256	678
Other		322	322	1,424	990
		12,674	11,637	11,102	10,016
4 Other income					
Other services rendered		3,609	1,956	4,295	2,106
Catering and conferences		1,439	1,360	1,505	1,444
Other capital grants		635	635	634	634
Other income		2,351	2,859	2,384	2,785
		8,034	6,810	8,818	6,969
5 Investment income					
Investment income on endowments	20	5	5	2	2
Gains on unit-based investments		1,951	1,951	1,829	1,829
Interest on short term deposits		1,148	1,147	643	643
Other investment income		-	48	-	46
		3,104	3,151	2,474	2,520
6 Donations and endowments					
New endowments	20	1	1	-	-
		1	1	-	-

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Staff costs

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Salaries	78,752	77,237	77,505	76,038
Social security costs	8,401	8,315	8,218	8,126
Pension costs (note 25)	25,915	25,853	15,788	15,700
Total	113,068	111,405	101,511	99,864

Emoluments of the Vice-Chancellor

The salary and conditions of service of the Vice-Chancellor are considered by the Senior Post Holder Remuneration Committee (SPH Remcom) following feedback on the annual appraisal and having regard to comparative data. The Vice-Chancellor is not a member of this committee nor is he in attendance. When considering remuneration for the Vice-Chancellor, the Committee has regard to the Level 1 Head of Institution (HOI) comparator of the UCEA Senior Staff Remuneration Survey, together with CUC Vice-Chancellor survey to benchmark the positions offered within comparator institutions.

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

Review of Performance

The University's strategic KPIs are the key indicators used for remuneration purposes for the Vice-Chancellor. The University does not operate any explicit performance pay scheme. The performance of the Vice-Chancellor is assessed at an annual appraisal in terms of progress towards these KPIs, against mainstream Universities (+£100m). Notable achievements in 2018/19 include:

- **Inspiring:** Received the Guardian University Award for Course Curriculum. Maintained our No.1 ranking in the Teaching Qualifications table. Top 10 for Destination of Leavers in Higher Education.
- **Innovative:** Captured major grants including £3.5m for a Pantograph Test Rig, £2.2m for next generation of 3D printers, €2.7m for intersex issues and €1.2m for 5G. Ranked 12th for number of KTPs. 3M BIC received a National Technology Award.
- **International:** Ranked 12th on International Student Barometer and Performing Arts ranked 25th on QS World Rankings. China joint program became operational.
- **Staff:** Achieved target of 100% of staff either having a PhD or registered on one. Now ranked No. 1 for % of staff with doctorate or other higher degree and match Cambridge for % of staff with PhDs. Chartered Management programme successfully rolled out to middle-managers. Three CMI Companions appointed and now have the largest number in the UK. Winner of the CMI Outstanding Innovation Award.
- **Finance:** Ranked 2nd in the Financial Security Index amongst mainstream Universities.
- **Estates:** Both Barbara Hepworth and Science buildings will be completed on time and in budget. Awarded Catering Team of the Year and Director of Estates and Facilities awarded Lifetime Achievement Award.

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

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

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

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

The committee considered the contribution of the HOI, by reference to his appraisal which assessed progress towards the University's strategic KPIs, culminating in demonstrable progress towards these indicators and notable awards during 2018/19 including:

- Guardian University Award for Curriculum;
- AUDE Estates/Facilities Team of the Year;
- Yorkshire Sikh Forum, Inspiring Leader Award

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

Vice-Chancellor's Remuneration Package

VC total remuneration package	2018/19	2017/18	2016/17	2015/16
Basic salary	336,042	326,254	314,613	311,190
Pension contribution (standard USS rate)	-	59,214	56,630	53,374
Payment in lieu of pension (standard USS rate)	62,168	-	-	-
Dividends	-	-	-	-
Performance related pay	-	-	-	-
Bonuses	-	-	-	-
Salary sacrifice	-	-	-	-
Car	-	-	-	-
Subsidised loan	-	-	-	-
Subsidised accommodation	-	-	-	-
Ex-gratia payments	-	-	-	-
Private Health Insurance	-	-	-	-
Sabbatical payments	-	-	-	-
Retention of external payments	-	-	-	-
	398,210	385,468	371,243	364,564

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

Pay multiple

The contractual arrangements with the HOI ensure that any remuneration or fees received by the HOI for external activities in his capacity as Vice-Chancellor or as an employee of the University shall be the income of the University.

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

The table below summarises the current ratio for the university of the pay multiple of head of institution (HoI) earnings against the median of all staff, plus details of how this indicator has changed over the last three years. This data has been produced using the UCEA methodology. For the year 2017-18 the pay ratios for the sector of basic salary ranged up to 13.4 (from the OfS website)

Date	Median Salary	VC's Salary	Ratio
31/07/2017	£35,270	£314,613	8.92
31/07/2018	£34,856	£326,254	9.36
31/07/2019	£35,535	£336,042	9.46

* The median salary and total remuneration excludes employees paid on an hourly basis.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Number	Number
£100,000 to £104,999	6	2
£105,000 to £109,999	2	-
£110,000 to £114,999	-	1
£115,000 to £119,999	2	-
£120,000 to £124,999	-	1
£125,000 to £129,999	1	1
£130,000 to £134,999	1	2
£135,000 to £139,999	-	-
£140,000 to £144,999	2	1
£145,000 to £149,999	1	1
£150,000 to £154,999	1	1
£155,000 to £159,999	-	-
£160,000 to £164,999	-	-
£165,000 to £169,999	-	1
£170,000 to £174,999	-	-
£175,000 to £179,999	1	-
	17	11

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

	Year Ended 31 July 2019 FTE	Year Ended 31 July 2018 FTE
Teaching departments	1,161	1,104
Teaching support services	253	241
Administration and central services	183	177
Premises	188	182
Other	104	110
	1,889	1,814

Severance Payments

To build on the University's recent successes and to ensure that it maintains and develops its place within the market a process was begun of closely analysing the provision offered, and this will continue into the future. Where subjects are less popular the closure of courses will be considered. The University also needs to build capacity for new provision – subjects already being explored are maths, optometry and geography. In addition, the University needs to position itself for the future to ensure the highest levels of academic authenticity through engaging and developing highly qualified individuals with the desire to achieve and deliver outstanding teaching and research - complemented by professional administrative and technical support. A targeted Severance Scheme was implemented in 2018-19

The University paid £645,000 to 38 employees compensation for the loss of office during the year (2018: £5,175,000 paid to 154 employees).

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

Key management personnel

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

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Key management personnel compensation	1,869	1,804

Council Members

No Council Members have received any remuneration/waived payments from the University during the year (2017/18 – None).

The total expenses paid to or on behalf of 16 Council members was £330 (2017/18 - £339 to 16 Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

8 Interest and other finance costs

	Year Ended 31 July 2019 Consolidated University £'000 £'000		Year Ended 31 July 2018 Consolidated University £'000 £'000	
Local government pension scheme	1,572	1,572	1,621	1,621
Universities superannuation scheme	52	52	41	41
	1,624	1,624	1,662	1,662

9 Analysis of total expenditure by activity

	Year Ended 31 July 2019 Consolidated University £'000 £'000		Year Ended 31 July 2018 Consolidated University £'000 £'000	
Academic and related expenditure	67,256	66,550	67,219	66,434
Academic Services	25,582	25,657	26,318	26,240
Administration and central services	28,582	28,551	28,155	27,864
Premises (including service concession cost)	18,791	18,579	17,729	17,736
Catering and conferences	1,533	1,429	1,568	1,500
Research grants and contracts	12,425	11,431	9,902	10,049
Other expenses	17,811	17,167	8,369	7,057
	171,980	169,364	159,260	156,880
Other operating expenses include:				
External auditors remuneration in respect of audit services	54	45	52	44
External auditors remuneration in respect of non-audit services	26	26	29	29
External auditors remuneration in respect of taxation advice	12	2	6	-

Services are inclusive of VAT for the University.

10 Taxation

	Consolidated and University	
	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Recognised in the statement of comprehensive income		
Current tax	(2)	-
Deferred tax	(16)	41
Total tax expense	(18)	41

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Consolidated					
Cost or valuation					
At 1 August 2018	233,011	890	32,673	13,397	279,971
Additions	458	-	1,246	40,862	42,566
Transfers	649	(306)	-	(343)	-
Disposals	-	-	(411)	-	(411)
At 31 July 2019	234,118	584	33,508	53,916	322,126
Consisting of valuation as at:					
31 July 2015 valuation	212,045	584	-	-	212,629
Cost	22,073	-	33,508	53,916	109,497
	234,118	584	33,508	53,916	322,126
Depreciation					
At 1 August 2018	15,210	56	18,769	-	34,035
Charge for the year	5,411	12	2,866	-	8,289
Disposals	-	-	(411)	-	(411)
At 31 July 2019	20,621	68	21,224	-	41,913
Net book value					
At 31 July 2019	213,497	516	12,284	53,916	280,213
At 31 July 2018	217,801	834	13,904	13,397	245,936
University					
Cost and valuation					
At 1 August 2018	233,011	890	32,011	13,364	279,276
Additions	458	-	1,211	40,896	42,565
Transfers	649	(306)	-	(343)	-
Disposals	-	-	(411)	-	(411)
At 31 July 2019	234,118	584	32,811	53,917	321,430
Consisting of valuation as at:					
31 July 2015 valuation	212,045	584	-	-	212,629
Cost	22,073	-	32,811	53,917	108,801
	234,118	584	32,811	53,917	321,430
Depreciation					
At 1 August 2018	15,210	56	18,556	-	33,822
Charge for the year	5,411	12	2,778	-	8,201
Disposals	-	-	(411)	-	(411)
At 31 July 2019	20,621	68	20,923	-	41,612
Net book value					
At 31 July 2019	213,497	516	11,888	53,917	279,818
At 31 July 2018	217,801	834	13,455	13,364	245,454

At 31 July 2019, freehold land and buildings included £9.8m (2018 - £9.3m) in respect of freehold land that is not depreciated.

Within tangible fixed assets at 31 July 2019 there were £53.7m (2018 - £13.4m) of assets under construction, which are not being depreciated.

The freehold and long leasehold land and buildings of the Group and the University were revalued as at 31 July 2015 by GVA Grimley, Chartered Surveyors at depreciated replacement cost for existing use, open market value for existing use or open market value with vacant possession. (This is in accordance with the RICS Appraisal and Valuation Manual).

Buildings with a cost or valuation of £92m and a net book value of £87m have been partially funded from Treasury sources. A repayment of funding would only occur in exceptional circumstances.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-Current Investments

	Subsidiary companies	Other investments	Total
	£'000	£'000	£'000
Consolidated			
At 1 August 2018	-	32	32
At 31 July 2019	-	32	32
University			
At 1 August 2018	50	32	82
At 31 July 2019	50	32	82

13 Subsidiary undertakings

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

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

14 Trade and other receivables

Amounts falling due within one year:

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other trade receivables	4,907	4,013	5,222	4,798
Other receivables	184	184	182	181
Prepayments and accrued income	10,582	10,576	9,851	9,498
Amounts due from subsidiary companies	-	1,395	-	1,217
	15,673	16,168	15,255	15,694

15 Current Investments

Unit-based investments and deposits

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unit-based investments and deposits	54,226	54,226	51,968	51,968
	54,226	54,226	51,968	51,968

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

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

16 Creditors : amounts falling due within one year

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Payments received in advance	17,786	17,514	16,999	16,789
Trade creditors	2,613	2,599	2,232	2,231
Social security and other taxation payable	342	342	280	280
Accruals and deferred income	11,078	11,049	9,558	9,770
Deferred taxation	24	-	41	-
Deferred Capital Grants	2,410	2,410	3,144	3,144
Other creditors	53	8	51	9
	34,306	33,922	32,305	32,223

17 Creditors : amounts falling due after more than one year

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred capital grants	26,773	26,773	25,188	25,188
	26,773	26,773	25,188	25,188

18 Provisions for liabilities

Consolidated and University

	Obligation to fund deficit on USS pension £'000	Pension enhancements on termination £'000	Defined benefit obligations £'000	Total Pensions Provisions £'000
At 1 August 2018	2,417	195	57,797	60,409
Increase/(decrease) in year	-	-	-	-
Transfer from income and expenditure	5,130	(8)	47,358	52,480
At 31 July 2019	7,547	187	105,155	112,889

Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

	Consolidated
Discount rate	2.1%
Inflation	2.2%

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 25.

The adoption of the new deficit recovery plan following the 2017 actuarial valuation has given rise to a significant increase in the deficit provision which has increased from £83.1 million to £248.4 million. £165.1 million of this increase is attributable to the change in the deficit contributions contractual commitment. More details on the 2017 actuarial valuation are set out in note 25.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 25. As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £4,254,000, a decrease of £3,293,000 from the current year end provision.

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The major assumptions used to calculate the obligation are:

	2019	2018
Discount rate	1.58%	2.16%
Salary growth	4.00%	4.00%

Sensitivity analysis

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

	Approximate impact £'000
0.5% pa decrease in discount rate	323
0.5% pa increase in salary inflation over duration	36
0.5% pa increase in salary inflation year 1 only	36
0.5% increase in staff changes over duration	323
0.5% increase in staff changes year 1 only	38
1% increase in deficit contributions from April 2020	1,590

19 Financial Instruments

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Held at fair value:				
Current asset investments	54,226	54,226	51,968	51,968
Held at amortised cost:				
Bank and cash	77,062	76,925	93,984	93,917
Trade and other debtors	12,597	12,589	12,743	13,197
	143,885	143,740	158,695	159,082

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

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Financial liabilities:				
Creditors falling due within one year	13,744	13,657	11,841	12,010
	13,744	13,657	11,841	12,010

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2019 Total £'000	2018 Total £'000
Balances at 1 August 2018				
Capital	2,392	233	2,625	2,509
Accumulated Income	11	-	11	11
	2,403	233	2,636	2,520
New endowments	-	1	1	101
Investment income	35	5	40	17
Expenditure	(1)	(7)	(8)	(2)
Total endowment comprehensive income for the year	34	(1)	33	116
At 31 July 2019	2,437	232	2,669	2,636
Represented by:				
Capital	2,390	232	2,622	2,609
Accumulated	47	-	47	27
	2,437	232	2,669	2,636
Analysis by type of purpose:				
Scholarships and bursaries	252	-	252	249
Research support	2,120	-	2,120	2,090
Prize funds	65	232	297	297
	2,437	232	2,669	2,636
Analysis by asset				
Accrued income			400	600
Cash & cash equivalents			2,269	2,036
			2,669	2,636

21 Cash and cash equivalents

	Consolidated At 1 August 2018 £'000	Cash Flows £'000	Consolidated At 31 July 2019 £'000
Cash and cash equivalents	93,984	(16,922)	77,062
	93,984	(16,922)	77,062

THE UNIVERSITY OF HUDDERSFIELD
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NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Capital and other commitments

	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	3,211	3,211	37,077	37,077

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

23 Contingent liabilities

Subsidiaries

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

24 Lease Obligations

Total rentals payable under operating leases:

	Consolidated and University	
	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Payable during the year	42	35
Future minimum lease payments due:		
Not later than 1 year	32	42
Later than 1 year and not later than 5 years	77	109
Later than 5 years	-	-
Total lease payments due	109	151

25 Pensions and Other Obligations

The University's employees belong to three principal pension schemes: the Teachers' Pension Scheme, the Universities Superannuation Scheme and the West Yorkshire Pension Fund. The total pension cost for the year was £25,915,000 (2018 : £15,788,000), analysed as follows

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
West Yorkshire Pension Scheme	14,360	14,308	9,326	9,255
Teachers' Pension Scheme	4,891	4,887	4,779	4,771
Universities Superannuation Scheme	6,659	6,658	1,680	1,674
NEST	5	-	3	-
	25,915	25,853	15,788	15,700

Teachers' Pension Scheme (TPS)

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

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

For the period from 1 August 2018 to 31 July 2019 the contribution rates were 16.48% for employers and banded contributions of 7.4% to 11.7% for employees. The pensions' charge recorded by the University during the accounting period was equal to the contributions payable, taking into account benefit improvements subsequent to the valuation and the spreading of surplus over future service lives of employees. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

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

Universities Superannuation Scheme (USS)

The institution participates in 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 institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution 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.

The total cost charged to the income and expenditure account is £6,659k (2018: £1,680k).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. As at the year end a valuation as at 31 March 2018 was underway but not yet complete.

Since the institution cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £60.0 billion and the value of the Scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Future improvements to mortality	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2017 Valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RfV00 for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Scheme assets	£67.4bn	£63.6bn
Total scheme liabilities	£79.2bn	£72.0bn
FRS 102 total scheme deficit	£11.8bn	£8.4bn
FRS 102 total funding level	85%	88%
	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

A new deficit recovery plan was put in place as part of the 2017 valuation and is set out in the new Schedule of Contributions dated 28 January 2019. This requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. In accordance with the requirements of FRS 102 and the SORP, the University has made a provision for this contractual commitment to fund the past deficit. In the prior year, the deficit payments were 2.1% of salaries up to March 2031.

This significant increase in deficit contributions has given rise to a substantial increase in the deficit provision which has increased from £83.1 million to £248.4 million as set out in note 21. £165.1 million of this increase is attributable to the change in the deficit contributions contractual commitment. See also note 7 in respect of significant one-off pension costs / gains.

The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 billion and a funding ratio of 95%.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £4,254k, a decrease of £3,293k from the current year end provision.

West Yorkshire Pension Fund (WYPF)

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

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2013 updated to 31 July 2019 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 14.2% of pensionable salaries.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Assumptions

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

	At 31 July 2019	At 31 July 2018
Price Inflation (RPI)	3.2%	3.2%
Price Inflation (CPI)	2.2%	2.1%
Rate of increase in salaries	3.5%	3.4%
Rate of increase of pensions in payment for WYPF members	2.2%	2.1%
Discount rate	2.1%	2.8%

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

	Male (years)		Female (years)	
	Pensioner	Non-Pensioner	Pensioner	Non-Pensioner
At 31 July 2018	22.1	23.1	25.3	27.1
At 31 July 2019	22.2	23.2	25.4	27.2

Scheme assets and expected rate of return for WYPF

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

The fair value of the assets in the scheme were:

	31 July 2019 £'000	31 July 2018 £'000	31 July 2017 £'000
Equities	153,151	133,991	127,515
Government bonds	19,290	19,398	7,296
Other Bonds	7,015	6,286	16,055
Property	8,378	7,544	6,497
Cash	4,092	3,951	2,819
Other	2,923	8,442	5,638
	<u>194,849</u>	<u>179,612</u>	<u>165,820</u>

The tables below include disclosures for the WYPF

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Analysis of the amount shown in the balance sheet for WYPF		
Scheme assets	194,848	179,613
Scheme liabilities	(300,003)	(237,410)
Deficit in the scheme - net provision	(105,155)	(57,797)
Deficit in the scheme – net pension liability recorded within pension provision (Note 18)		
Current service cost	(9,251)	(8,905)
Past service costs	(4,565)	(412)
Settlement costs	-	434
Total operating charge	(13,816)	(8,883)
Analysis of the amount charged to interest for WYPF		
Interest cost	(6,588)	(5,944)
Expected return on assets	5,016	4,323
Net charge to other finance income	(1,572)	(1,621)
Analysis of other comprehensive income for WYPF		
Gain on assets	10,603	8,622
Experience gains/(losses) on liabilities	(46,617)	3,856
Total other comprehensive income before deduction for tax	(36,014)	12,478

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NOTES TO THE FINANCIAL STATEMENTS (continued)

History of experience gains and losses - WYPF

	Year to: 31 July 2019	31 July 2018	31 July 2017	31 July 2016	31 July 2015
Difference between actual and expected return on scheme assets:					
Amount (£'000)	10,603	8,622	13,297	10,183	6,154
% of assets at end of year	5	5	8	8	5
Experience gains/(losses) on scheme liabilities:					
Amount (£'000)	(46,617)	3,856	7,702	(37,736)	(13,344)
% of liabilities at end of year	16	2	3	17	7

	At 31 July 2019 £'000	At 31 July 2018 £'000
Cumulative actuarial loss recognised as other comprehensive income for WYPF		
Cumulative actuarial assets recognised at the end of the year	194,848	179,613
Cumulative actuarial losses recognised at the end of the year	(300,003)	(237,410)
Analysis of movement in surplus/(deficit) for WYPF		
Deficit at beginning of year	(57,797)	(65,379)
Contributions or benefits paid by the University	4,961	4,839
Current service cost	(9,251)	(8,905)
Past service cost	(4,565)	(412)
Settlement cost	-	1,203
Net decrease in assets	(917)	-
Other finance charge	(1,572)	(1,621)
Loss/(gain) recognised in other comprehensive income	(36,014)	12,478
Deficit at end of year	(105,155)	(57,797)
Analysis of movement in the present value of WYPF	237,410	231,199
Present value of liabilities at the start of the year		
Current service cost (net of member contributions)	9,251	8,905
Past service cost	4,565	412
Settlement costs	-	(1,203)
Recorded within other Comprehensive Income	6,588	5,944
Actual member contributions (including notional contributions)	2,273	2,323
Actuarial loss/(gain)	46,617	(3,856)
Actual benefit payments	(6,701)	(6,314)
Present value of liabilities at the end of the year	300,003	237,410
Analysis of movement in the fair value of scheme assets	At 31 July 2019 £'000	As at 31 July 2018 £'000
Fair value of assets at the start of the year		
Expected return on assets	179,613	165,820
Actuarial gain on assets	5,016	4,323
Actual contributions paid by University	10,603	8,622
Actual member contributions (including notional contributions)	4,961	5,608
Actual benefit payments	2,273	2,323
Settlements	(6,701)	(6,314)
	(917)	(769)
Fair value of scheme assets at the end of the year	194,848	179,613

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

	At 31 July 2019 £'000	At 31 July 2018 £'000
Actual return on Scheme assets		
Interest income on Scheme assets	5,016	4,323
Asset gain	10,603	8,622
	15,619	12,945

Estimated contributions for WYPF in the Financial Year 2019-2020 are £5.6m.

26 Related Party Disclosures

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

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

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

Baroness Kathryn Pinnock, Council member was a Trustee for Huddersfield Contemporary Music Festival (HCMF). HCMF received payments of £34,800 (2017/18 £34,850) as a contribution to the costs of the Contemporary Music Festival held every November at the University. HCMF made payments to the University of £1,118 (2017/18 £1,520) in relation to event support services from the University and owed a further £NIL (2017/18 £13).

Professor Robert Cryan, Vice-Chancellor and Council member was: a Director of Yorkshire Universities - Yorkshire Universities received payments from the University of Nil (2017/18 £30,050) in relation to the membership subscription and Yorkshire Universities made a payment of Nil (2017/18 £71); as a Director and Trustee of Universities and Colleges Admissions Service (UCAS) - UCAS received payments of £137,472 (2017/18 £121,209) for subscriptions, data enquiries and training and UCAS made a payment of Nil (2017/18 312); a trustee of the Peter Jones Foundation transactions Nil (2017/18 Nil).

Mr Jonathan Stephen, President of Huddersfield Student Union and Council member. Huddersfield Student Union received payments of £1,074,120 (2017/18 £1,090,125) in relation to the yearly grant made to the Students' Union by the University. The University contributed £23,548 (2017/18 £12,816) to Student Union Events. Huddersfield Student Union made payments to the University of £274,063 (2017/18 £292,291) in relation to estates and facilities charges, catering, telephone, postage, training, sports charges and car parking and owed a further £329 (2017/18 £25).

Professor David Taylor, Pro Vice-Chancellor, International and Senior Staff Member was a Director of Northern Consortium United Kingdom (NCUK). NCUK received payments of £136,080 (2017/18 £131,031) in relation to student commission.

Mr Andrew McConnell, Finance Director and Senior Staff Member was: a Director of Higher Education Statistics Agency (HESA) - HESA received payments of £1,896 (2017/18 £10,142) in relation to data enquiries; a Director of C & K Careers Limited - C & K Careers Limited received payments of Nil (2017/18 £559); a Director of Creative Media Centres Limited - Creative Media Centres Limited received payments of Nil (2017/18 £1,825); a Director of Smart Component Technologies Limited - Smart Component Technologies Limited made payments to the University of Huddersfield Enterprises Limited of £73,097 (2017/18 £23,278) in relation to collaborative research and owed a further £37,254 (2017/18 £75,625); Chair of the Universities Internal Audit Consortium (UNIAC) - UNIAC received payments of £152,240 (2017/18 £142,131) for providing internal audit services.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

27 Amounts disbursed as agent of Department for Education

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

	Consolidated and University	
	Year Ended 31 July 2019	Year Ended 31 July 2018
	£'000	£'000
Initial teacher training bursaries		
Funds received	1,353	1,240
Disbursed to students	(1,353)	(1,240)
	-	-

28 Post balance sheet events

As set out in Note 25 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £3,293k in the provision for the Obligation to fund the deficit on the USS pension which would instead be £4,254k. This adjustment will be reflected in the University's Financial Statements for the year ended 31 July 2020.



The 2018 Harold Wilson Lecture was given by Gordon Brown, who served as Chancellor of the Exchequer for 10 years before becoming Prime Minister himself in 2007. During his lecture he praised the late Lord Wilson's legacy and its relevance to the UK in 2018. Pictured left to right are: Professor Robin Wilson, Joy Crispin Wilson, Gordon Brown, Bishop Jonathan Gibbs and Professor Bob Cryan.



In January, the University's Institute of Railway Research's £30m Centre of Excellence in Rolling Stock was officially launched. The Centre is one of three rail centres of excellence under the banner of the UK Rail Research and Innovation Network (UKRRIN), initially funded by the Higher Education Funding Council for England with ongoing generous financial backing from the rail industry itself, and the Institute houses world-class facilities for testing rolling stock innovation.

This year's QS World University Subject Rankings saw the University of Huddersfield ranked 25th in the world for 'Performing Arts'.



The University is an internationally-recognised centre for new music, including composition and the application of new technologies to sound design, pedagogy and archaeoacoustics, for which it has been recently awarded three significant European grants. This flourishing activity produces a vibrant research community that also includes early music, performance, popular music and contemporary musicology.



Drama, Theatre and Performance is home to three international peer-reviewed Open-Access academic journals: the Journal of Embodied Research (JER), the Journal of Performance Magic, and the Journal of Performance and Mindfulness. Over the past three years, staff and students have presented performances, workshops and papers in the UK, Chile, Poland, Canada, USA, Panama, Mexico, Brazil, China, Malta, Holland, Germany, Finland, Australia and the Republic of Ireland.



Teaching
Excellence
Framework

