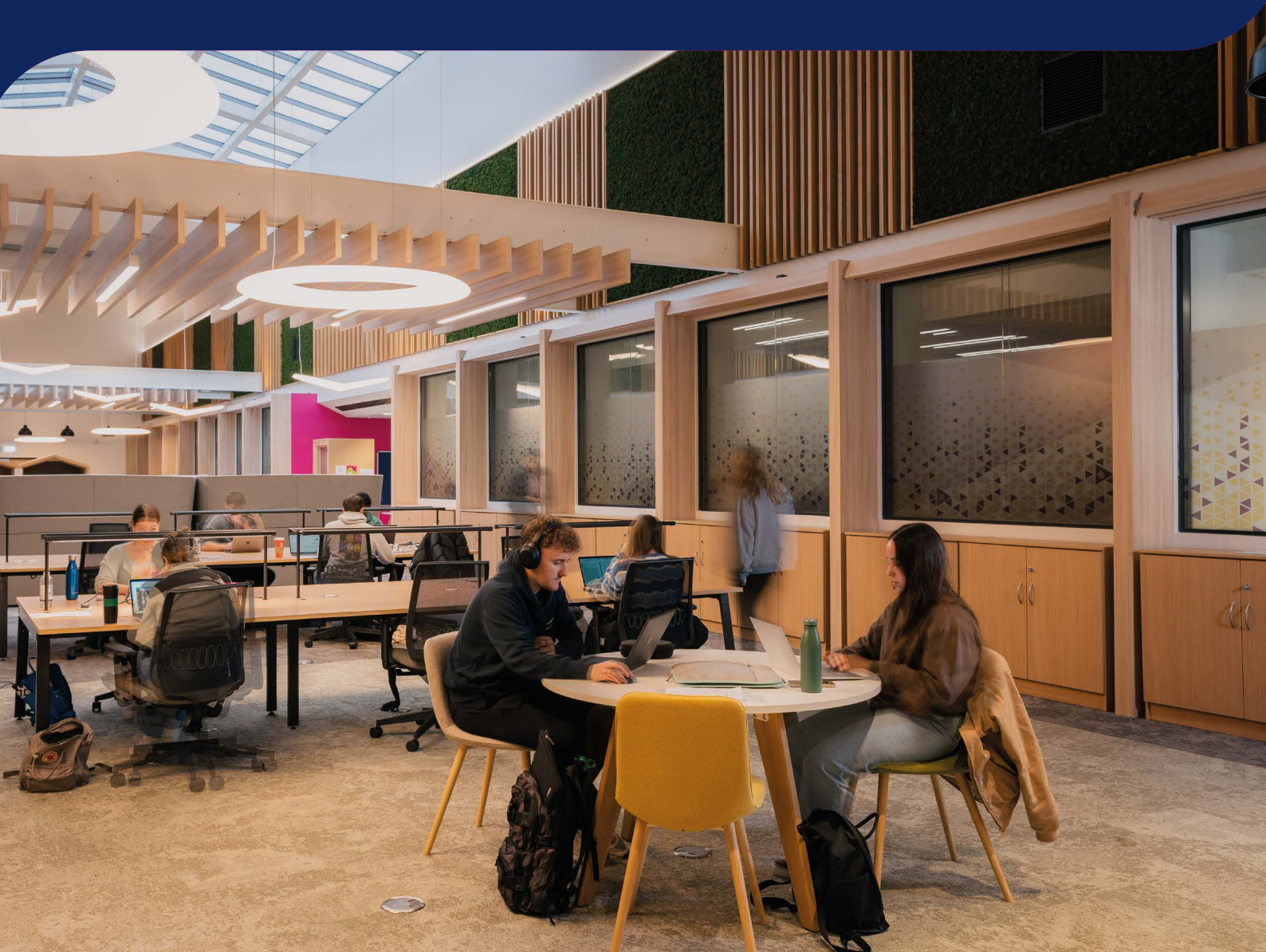


# ANNUAL REPORT AND FINANCIAL STATEMENTS 2022



# INTRODUCTION

During 2021/22, we made considerable progress towards implementing our University strategy, **Vision for York**. In this Annual Report we reflect on what has been achieved so far.

As we emerge from one of the most challenging periods in the University's history, it is a delight to see our community of **independent minds**, empowered by a **collective spirit**, once again thriving on our lively campus.

And we had some extraordinary successes, including moving into the UK's **top ten universities** for research quality (Research Excellence Framework 2021).

This year's Annual Report reflects not only on progress and achievement, but also on our financial resilience and adaptability. We strive to improve in our traditional operational areas, while being flexible and innovative in how we develop new areas of activity – all underpinned by a **commitment to public good** which motivates and inspires us in everything we do.

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# STRATEGY AND REVIEW

## STRATEGY

Our new University strategy – Vision for York – was launched in 2021. Here, we introduce some of our achievements from the past year in relation to its **four key strategic aims**, followed by an update on our ‘programme for change’.

For more examples of how our strategy is inspiring change, visit: [york.ac.uk/strategy-stories](https://york.ac.uk/strategy-stories)

## AIM: CURIOSITY-DRIVEN/ACTION-ORIENTED RESEARCH

We embrace the complexity and uncertainty that arise in an increasingly interconnected, rapidly changing world. By investing in people and systems to advance curiosity-driven research and its action-oriented applications, we are at the forefront of providing the evidence base and practice that are required for communities to flourish both at home and abroad.



### RESEARCH: STRATEGY STORY

#### Interactive technologies support cancer patients

Researchers from the School of Arts and Creative Technologies have developed a personalised decision aid for young women who have been diagnosed with cancer and need to make choices about preserving their future fertility. An interactive video will provide patients with a guided path through treatment options, based on patient data and individual interest.



## AIM: EDUCATION THAT EMPOWERS

We transform the whole student experience to create high-quality, flexible, inclusive and accessible lifelong learning journeys. The University of York nurtures and fulfils ambitions and prepares students for an ever-evolving world. We design innovative pedagogies and curricula underpinned by technology, widen access locally and globally, and eradicate achievement gaps.

### EDUCATION: STRATEGY STORY

#### Learning centre designed to give academic support

We are working collaboratively with students, York teachers, parents and community members to co-design the Westfield Learning Centre. This will provide learning and support for adults and young people right on the doorsteps of York families who are most in need. We launched our fundraising campaign in July 2022, with the Centre due to open in September 2023.

## AIM: LOCAL COMMITMENT ON A GLOBAL SCALE

We build strong partnerships to expand and share knowledge for local impact on a global scale. By promoting collaboration beyond disciplinary boundaries and with diverse people and entities from across society, we combine relevant expertise and experiences, generate synergies for lasting benefit, and expand the reach of our research and education.

### LOCAL COMMITMENT: STRATEGY STORY

#### A fix for how we produce our food

Our research is key to the Fix our Food project, which includes expertise from the School for Business and Society. This research was developed with a range of food systems stakeholders, from farming, industry, schools and the public, and regional and national government. Through this collaboration, we aim to change the region's food system and inform change across the UK and beyond.



## AIM: COMMUNITY WITHOUT LIMITS

Our diverse community, which reflects both wider UK society and our principle of internationalism, fosters a sense of belonging and operates at the highest academic and ethical standards. By establishing an inclusive environment, removing barriers to progression for our staff and students, and creating physical, virtual and cultural spaces that facilitate rich exchanges, we transform perceptions and enable a culture of possibilities where new knowledge is generated and everyone can thrive.

### COMMUNITY: STRATEGY STORY

#### Ensuring every student is better understood and represented

A member of our Student Expert Panel organised a discussion called Middle Ground; staff and students from diverse backgrounds tackled issues relating to race, class and intersectionality. Events of this kind represent an important opportunity for our community to come together to better understand and learn from one another.

For more examples of how our strategy is inspiring change, visit: [york.ac.uk/strategy-stories](http://york.ac.uk/strategy-stories)



## ORGANISATION

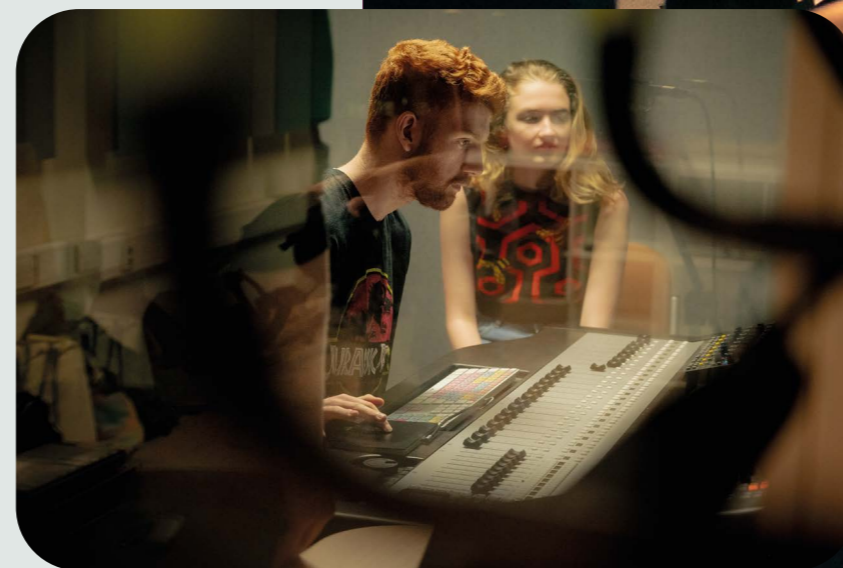
The University 'programme for change' is a portfolio of projects in strategic areas. They include the introduction of new structures for teaching programmes and semesters, the creation of three interdisciplinary Schools, and new ways of delivering professional services to support our world-class research and enhance our student experience.

The three new Schools launched in 2022 are:

- the School for Business and Society, which brought together the Management School and the Department of Social Policy and Social Work
- the School of Arts and Creative Technologies, which brought together Music, and Theatre, Film, Television and Interactive Media
- the School of Physics, Engineering and Technology, which brought together Electronic Engineering and Physics.

These Schools will foster groundbreaking combinations of disciplines and subjects, and will create new and exciting research and teaching opportunities.

Learn more: [york.ac.uk/news-and-events/news/2022/campus/new-academic-schools](https://york.ac.uk/news-and-events/news/2022/campus/new-academic-schools)



Three new interdisciplinary Schools were launched in 2022 as part of the 'programme for change'

# DEVELOPMENT AND PERFORMANCE

The University made progress and improvement in a number of key areas during 2021/22. In particular, there was **strong growth in research**.

## RESEARCH

All University subject areas are now ranked in the top 30 in the UK, with four departments in the top five: Language and Linguistics (first), Philosophy (second), Sociology (fourth), Education (fifth).

The £45m Institute for Safe Autonomy (ISA) opened in summer 2022. The ISA was awarded £1.5m for the installation of a solar farm, which will power around 80 per cent of the building's expected daily usage.

Our varied research continues to have an impact around the world, with groundbreaking studies in fields such as pharmaceutical pollution, waste reduction, historic artefacts, and the spread of the Black Death.

## SUSTAINABILITY

Our Environmental Sustainability Academy was launched in October 2021. We developed initial pathways to help us achieve carbon neutrality by 2030, and established sustainability governance groups which will manage our goal-setting and help implement our Sustainability Plan. We carried out an in-depth analysis of our supply chain carbon emissions, and an ecological baseline assessment was undertaken on campus grounds.

## TEACHING AND LEARNING

We held our first on-campus graduation ceremonies since 2019, including celebrations for students who had missed out on a campus graduation during the Covid-19 pandemic.

During 2022, two new colleges came on stream, making 11 in total: Anne Lister College opened in January, while David Kato College received its first intake of students in September 2022.

In the latest National Student Survey, York came top in the Russell Group for academic support, and seventh for overall satisfaction with a figure of 80%.

## STAFF

After Covid-19, 2021/22 was a welcome return to stability for our staff, with in-person teaching being restored across the University. We made a one-off payment to all staff of £500 in recognition of their hard work and commitment throughout the pandemic.\*

We launched a new employee engagement survey and published the results of our ethnicity pay gap report and our annual gender pay gap report.

# TOP 10

for research quality  
in the UK  
(Research Excellence  
Framework 2021)

# 1st

for academic support in  
the Russell Group  
National Student Survey

# 14,388

students graduated in  
42 ceremonies

\* Members of the University Executive Board donated their award to the University's charity.

## WIDENING PARTICIPATION

We launched Black Access, a programme designed and delivered by students, to widen participation in a University of York education.

We are working with the charity IntoUniversity to provide a new

learning centre in Marfleet, Hull. It will provide academic support and mentoring for primary and secondary school students growing up in one of the most disadvantaged areas in the region.

We welcomed over 300 Year 12 students to the first campus residential events since the pandemic, and supported independent and

estranged students, as recognised by our Stand Alone Pledge award.

When York initially engaged with FutureLearn in 2017, the key driver for course development was reaching new audiences. We now have more than 25 free massive open online courses (MOOCs) and a range of small private online courses (SPOCs).



Students and parents were welcomed to Anne Lister College during Open Day

## YORK UNLIMITED AND PHILANTHROPY

York Unlimited is raising the profile of philanthropy at York and providing vital support for a range of student access and research activities. During 2021/22 it reached the milestones of £100m funds raised and 100,000 hours volunteered.

The Equal Access Scholarship programme provided funding for students from Afghanistan in the wake of the crisis in summer 2021. More recently, this programme provided support for students affected by the war in Ukraine; 11 scholars from Ukraine will be supported through this scholarship programme in 2022/23.

## INTERNATIONAL PARTNERSHIPS

During 2021/22 we maintained our international reach, reputation and impact through international collaboration across the areas of research, staff and student exchange, innovation and knowledge exchange, and collaborative teaching.

We were proud to be recognised as seventh globally in the *Times Higher Education* Impact Rankings for our ability to collaborate with international partners and influence government policy and strategy around sustainable development.

Our offices in India, Malaysia and China assisted with student recruitment, worked with our

international alumni groups, and brokered partnerships.

The first full academic year took place at CITY College, University of York Europe campus, in Thessaloniki.

In our partnership with the University of Maastricht, the first co-taught and co-designed programme delivered by both universities, an MSc in Sustainable Business, started its second year on a strong note with over 40 students enrolled.

We signed a Memorandum of Understanding with Karazin Kharkiv National University in Ukraine. This will lead to staff fellowships and access to teaching materials, among other benefits.

## RISK MANAGEMENT

The University's approach and application of risk management has been further enhanced in 2021/22 by significant adaptation of the Corporate Risk Register and Risk Management Policy to combine previously separate, but related, reporting and analysis. The University leadership now responds with greater assurance to current, evolving and future challenges it faces as the new University Strategy is implemented. The revised risk management structures now provide clear vertical and horizontal integration of risks and their mitigations, which combined with a refreshed risk appetite model provide efficient, strategic, evidence-led decision-making to achieve the institution's goals in the short, medium and long term.

The University continues to apply its framework, with the current principal threats and opportunities as summarised below.

- **IT security:** reducing the risk of the University systems being compromised, notably, recently through an updated managed devices mandate
- **Recruitment of international students:** in particular, diversifying the sources of intake
- **Research and knowledge exchange:** taking opportunities, such as building on the strength of the REF performance to further engage with industry
- **Funding the University Strategy:** ensuring the institution can deliver its strategy and take valuable opportunities that require financial assistance
- **Health and safety:** maintaining and devising new significant mitigation to avoid unwanted events
- **Student mental health and wellbeing:** notably, ensuring that the student mental health and wellbeing strategy is enacted
- **Industrial action:** ensuring continuity of service while respecting the choices of those who take part in any action
- **Workforce planning:** continuing to attract the best staff, identify internal talent and ensure resilience of activities
- **Digital and physical infrastructure:** accounting for growth, changes in use and sustainability.

# FINANCIAL REVIEW

A **positive financial outcome** has been achieved for 2021/22, following planned previous investment, focused particularly on international students.

Substantial growth in income and containment of costs led to an operating surplus of £15m before movements in the pension provisions.

The Universities Superannuation Scheme continues to provide volatility in the overall result for the year, with the settlement of the 31 March 2020 triennial valuation leading to a £99m pension cost charge to staff costs.

## £472m

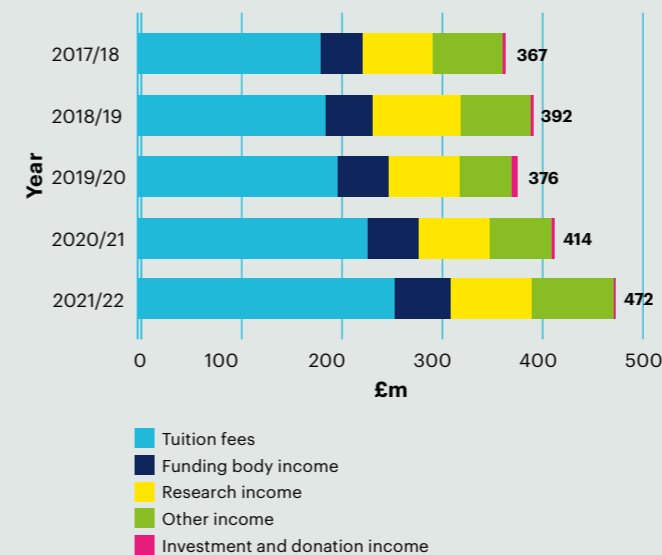
total income for 2021/22

## £194m

cash balance at 31 July 2022

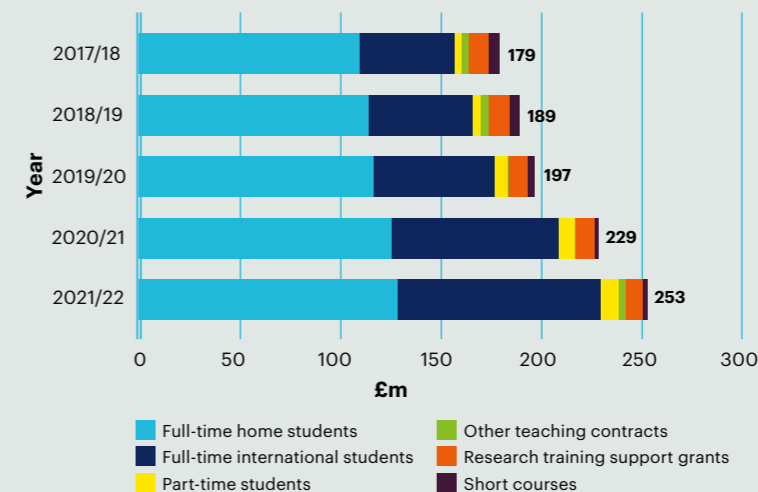
## £80m

research income – highest ever recorded



## TOTAL INCOME

Total income increased by 14% to £472m. The main components of the growth of £58m were increased international student tuition fees (£19m), research income (£10m), and residential income (£21m). The University continues to build on its excellent reputation and recruit high quality international students. The growth in research income is welcomed; it now exceeds pre-pandemic levels and reflects the excellent quality of research undertaken. Residential income increased as the first element of the new design, build and operate accommodation (Anne Lister College) came on stream.



## TUITION FEES AND EDUCATION CONTRACTS

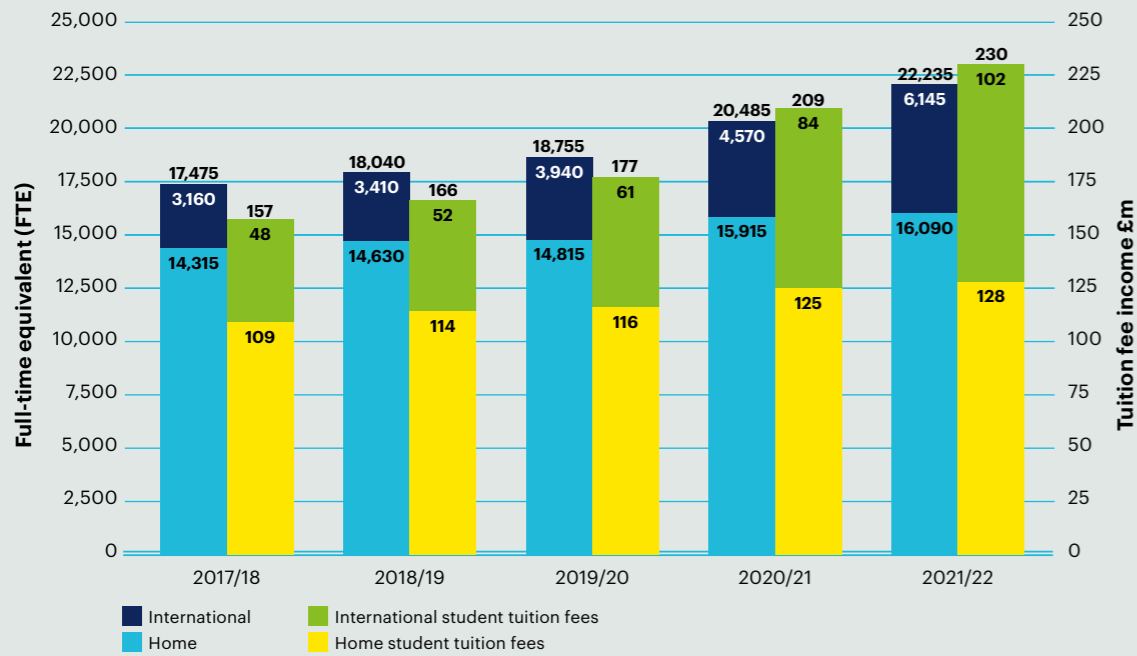
Income from tuition fees increased by 10% (£24m) to £253m. Most of this growth (£19m) arose from expansion in the number of international students, which increased from 4,570 in 2020/21 to 6,145 in 2021/22. The bounce back from Covid-19 improved the conversion of both home undergraduate and international postgraduate students, resulting in increased student numbers above planned targets. This unintended increase caused additional challenges for student accommodation and staff workload, now largely resolved.



## STUDENT NUMBERS

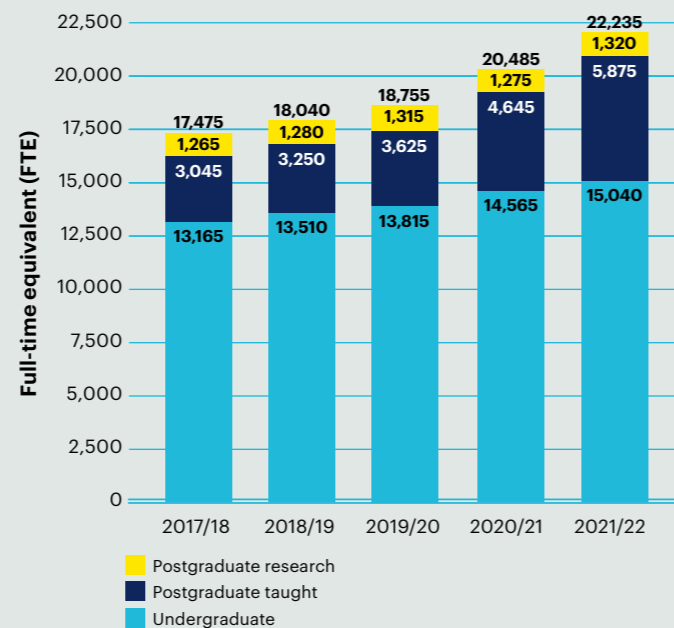
The number of students increased by 1,750 from 20,485 in 2020/21 to 22,235 in 2021/22. The number of international students continues to grow, reflecting the worldwide reputation of the University. International

students are integral to the financial sustainability of the University, following a substantively static domestic tuition fee income over the past decade.



## STUDENT NUMBERS BY STUDY LEVEL

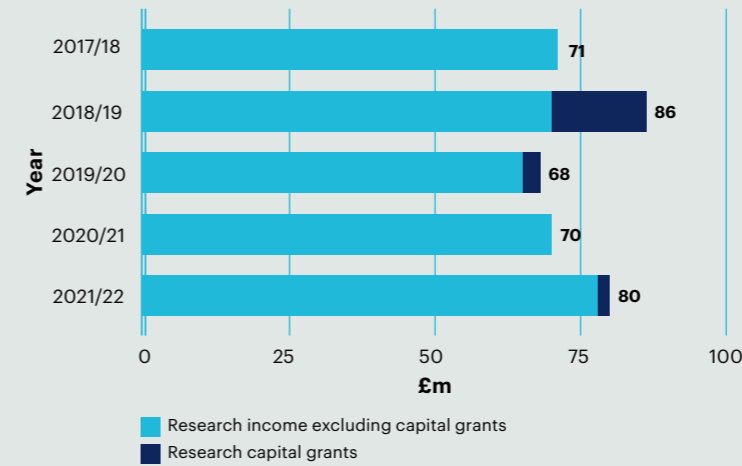
In 2021/22 the increased number of postgraduate taught students (1,230) was the main component of the increase in overall student numbers (1,750). The number of undergraduate students continued to rise, with an additional 475 in 2021/22.



## RESEARCH INCOME

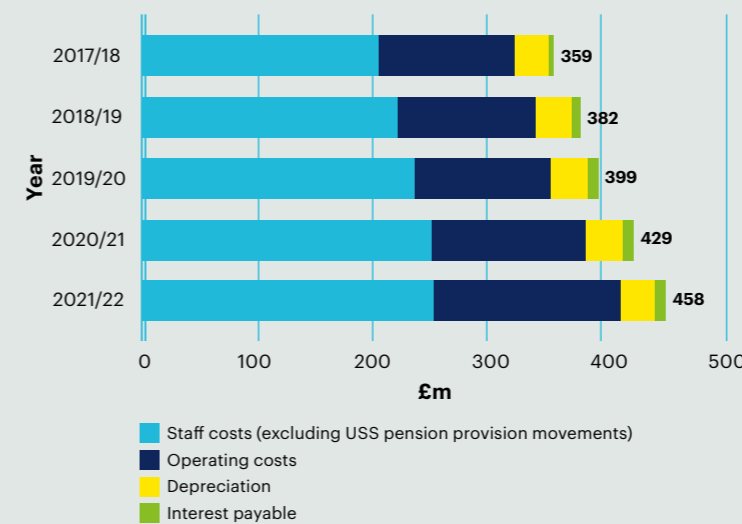
Total research grants and contracts income for 2021/22 amounted to £80m, an increase of £10m on 2020/21. Research income was adversely affected by the pandemic, which restricted access to the campus and laboratories, and has now exceeded pre-pandemic levels (£68-£70m).

In May 22, the University was ranked in the top ten in the UK in the *Times Higher Education* ranking of the Research Excellence Framework. This reflects the excellent work undertaken by academic staff in 2021/22 and has resulted in a 12% uplift in Quality Research income for 2022/23.



## TOTAL COSTS

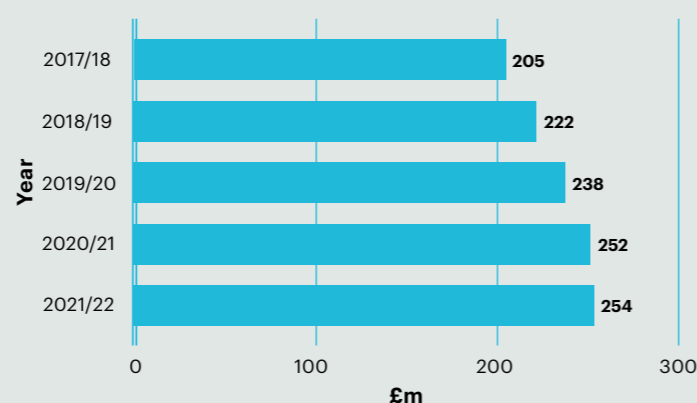
Total costs (excluding pension provision movements) increased by £29m to £458m. The majority of the increase (£28m) is in operating costs, resulting from University activities fully resuming after the Covid-19 pandemic.



## STAFF COSTS

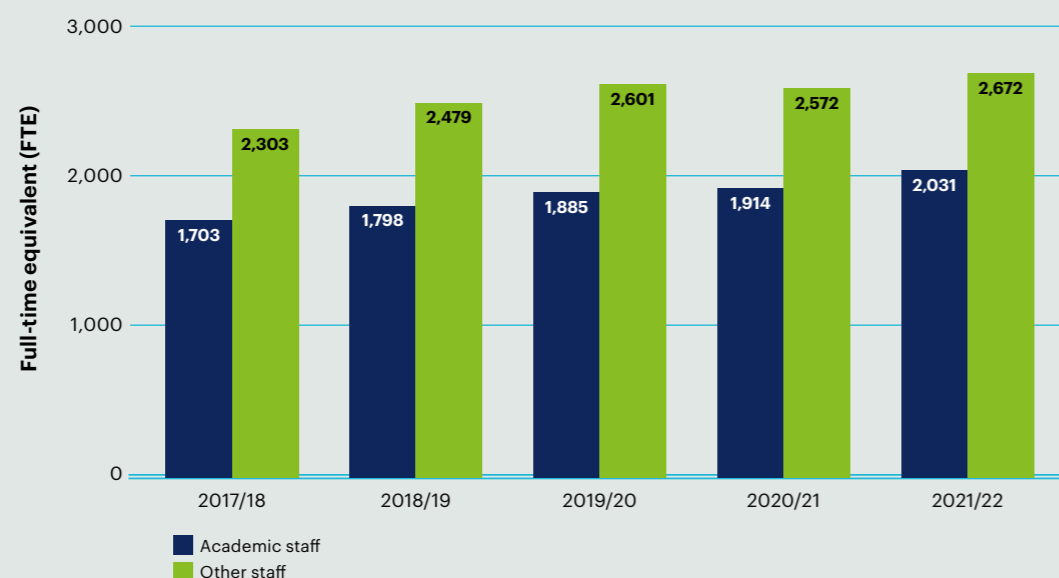
Staff costs, including employer's National Insurance and pension contributions, but excluding USS pension provision movement, increased by £2m in 2021/22. This small increase is composed of a one-off payment of £500 to all staff in recognition of their hard work and commitment throughout the pandemic (£3m), combined with growth in underlying staff costs (£10m) being offset by a credit (£11m) arising from changes to the University of York Pension Fund.

The change to the University of York Pension Fund arose from its triennial valuation at 31 July 2020, which was adopted in the year. This resulted in a past service credit of £11m being included in staff costs for 2021/22.



## NUMBER OF STAFF

Overall staff numbers increased by 5%. Academic staff increased by 6% (117 FTE), which is slightly more than the increase in other staff, 4% (100 FTE).



## UNIVERSITIES SUPERANNUATION SCHEME

The University is a member of the Universities Superannuation Scheme (USS). These financial statements include employer's pension contributions and movements in the pension provision which represent the University's share of the past service deficit. Employer's pension contributions increased in line with staff costs and reflect the scheme contribution rates. However, the pension provision movement changes significantly each year depending on the results of the triennial valuations and an annual actuarial valuation prepared for the year-end accounts.

In February 2022 the recovery plan for the 31 March 2020 triennial valuation was adopted by USS. This recovery plan changed the scheme benefits, while broadly maintaining future

employee and employer contributions. The new recovery plan increased the pension provision from £59m to £158m.

	Contributions	Provision increase/(decrease)	Year end provision
	£m	£m	£m
2017/18	20	(2)	35
2018/19	23	74	109
2019/20	27	(44)	65
2020/21	28	(6)	59
2021/22	30	99	158

## UNIVERSITY OF YORK PENSION FUND

The University of York Pension Fund is a defined benefit pension scheme. The consolidated statement of income and expenditure includes the current service cost and past service cost of members. The pension provision is calculated in accordance with the requirements of FRS 102.

During 2021/22 a recovery plan for the 31 July 2020 triennial valuation was adopted, which led to the University paying £9m to the pension fund, as well as changes to the employee benefit package and contribution rates.

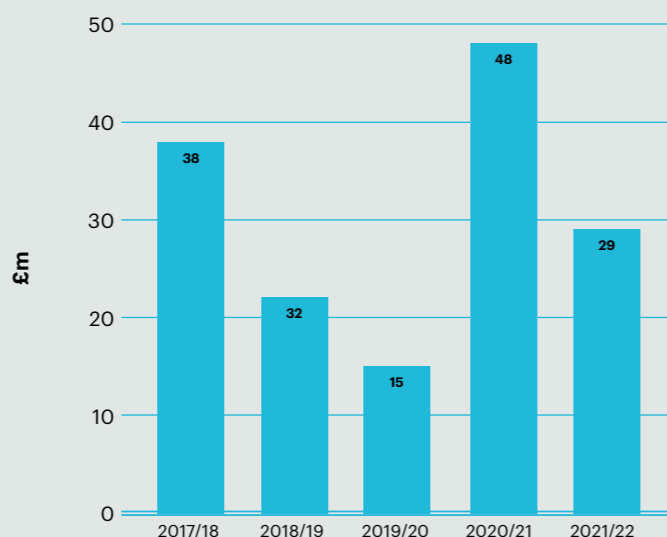
The year end pension provision, calculated according to FRS 102, has resulted in an asset of £18m being recognised as required by

accounting standards. The surplus has arisen due to significant increases in the discount rates used in the annual valuation, reflective of recent large rises in government bond yields and interest rates. If the discount rate had remained unchanged, these financial statements would show a deficit of £54m. Recognition of the surplus has been driven by financial reporting regulations, rather than the likelihood that the University would seek to recover any surplus. The University considers the pension fund a long-term vehicle to provide staff benefits. As such, any change in contribution policy would not be made without further long-term evidence that the scheme was in a robust and sustainable surplus.

## FREE CASH GENERATED

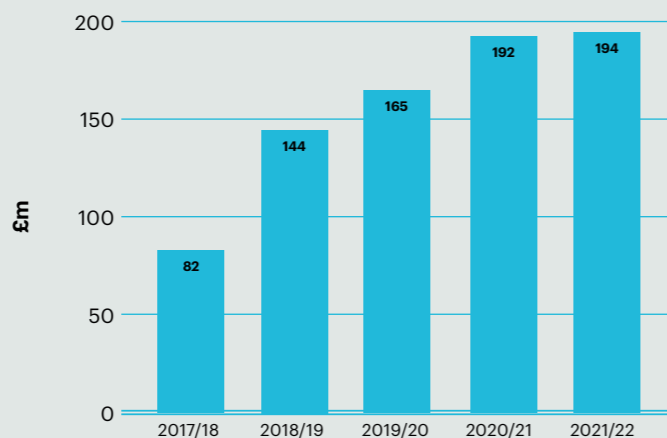
Free cash is the cash generated from operating activities plus investment income received, less interest paid, and represents the cash that is available for reinvestment in University activities.

The University experienced a significant distortion in its free cash flows during the pandemic. Initially, free cash flow fell to £15m, and it then increased to £48m. Current levels of free cash generated at £29m are considered satisfactory for the University to fund its operations and invest for the future.



## CASH BALANCE

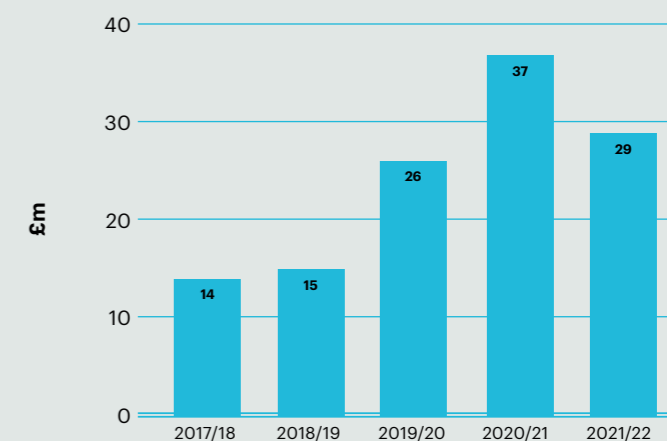
The University holds cash to fund its capital programme, support strategic initiatives and provide resilience against unexpected financial events. The cash balance at 31 July 2022 amounts to £194m and represents 166 days' expenditure, compared with 176 days' at 31 July 2021. Under ordinary circumstances, the University targets cash balances not falling below 90 days' net liquidity. However, disruption from Covid-19 in the last two years caused the cash balance to rise at a time when capital expenditure was halted. Future estates and IT projects, to invest in the long-term infrastructure of the University, are planned for the next few years, which will see cash levels reducing.



## CAPITAL PROGRAMME

During 2021/22 the University spent £29m on fixed assets, including the final construction, fitting out and completion stages of the RPIF Robotics Building (Institute for Safe Autonomy), and the creation and fitting out of a new Professional Services hub. In addition, there were a number of high-value equipment purchases, including Mechanical Engineering machining, welding and robotic 3D manufacturing equipment, confocal Zeiss microscopes for the Department of Biology, and specialist mixing and recording equipment for the Department of Theatre, Film, Television and Interactive Media.

In 2021/22 the first of the design, build and operate colleges, Anne Lister College, was completed and opened to students; the second, David Kato College, opened in September 2022.



## FINANCIAL OUTLOOK AND GOING CONCERN

The University has had a positive year which has seen it return to an operational surplus (before USS provisions) and generate £29m of free cash, which is being reinvested in its activities. The University has prepared five-year financial forecasts and these show that it has sufficient funds to conduct teaching, research and other activities. There is cash available to fund a capital programme of physical and digital infrastructure, support the University strategy and provide resilience against unexpected financial events.

We have tested the assumptions supporting the forecasts for increases in inflation, international tuition fees and staff costs.

After reviewing and approving these forecasts, Council is confident that the University will have sufficient funds to meet its liabilities as they fall due over the period of at least 12 months from the date of approval of these financial statements, and has therefore prepared these accounts on a going concern basis.

The University Council and Executive Board believe that the University is in a good position to develop and grow in line with its strategy and has sufficient funds to provide resilience against emerging risks and unexpected financial events.

# GOVERNANCE

## CORPORATE GOVERNANCE

The University continues to maintain a sound system of internal control, which has been **essential in transitioning** out of the Covid-19 pandemic.

The University is an independent corporation with charitable status, established by Royal Charter (Royal Charter Company Number: RC000679). The University's objects, powers and framework of governance are defined in the University's Charter and supporting Statutes. The Council (hereafter Council), as the University's governing body and trustee board, is committed to promoting effective practice in all aspects of corporate governance, principally through its own arrangements, sub-committees and the University Executive Board (UEB) led by the Vice-Chancellor and President. Council has formally adopted the core values and six key elements in the Committee of University Chairs (CUC) Higher Education Code of Governance (HE Code of Governance) (September 2020).

## STATEMENT OF INTERNAL CONTROL

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

The system of internal control is risk-based, and designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives, providing reasonable rather than absolute assurance. The University's internal control environment comprises the policies and procedures in place to ensure statutory compliance with the full range of obligations required of the University and specifically in relation to the prevention and detection of corruption, fraud, bribery and other irregularities. A core aspect of the University's internal control arrangements is the engagement of PwC to deliver an internal audit function.

The audit work carried out for the year ended 31 July 2022 comprised a 218-day risk-based programme, based on ten internal audits. There have been several in-year adjustments to the 2021/22 plan, to reflect new and emerging priorities in the internal control environment and a dynamic and risk-based programme.

Council is of the opinion that a sound system of internal control has been maintained in the University in 2021/22, including the transition out of the Covid-19 pandemic through strong business continuity planning, which has understandably prioritised the health and safety of staff and students, and has responded to changing, and at times turbulent, government and public health policy and the move to hybrid working (remotely and on campus) for most staff. Financial

internal control systems, as well as those for legal and governance-related approvals during this period, have been fully retained during remote working for most staff.

Council is of the view that an appropriate framework for identifying, evaluating and managing the University's significant risks has been in place for the year ended 31 July 2022, and up to the date of approval of the Annual Report and Financial Statements. In 2021/22, work arising from the 2019/20 risk management framework review has continued to be embedded under the leadership of the Director of Planning and Risk, who is also a member of UEB. Significant progress has been made under the auspices of UEB's Risk Review Group (RRG), UEB's executive ownership of risk, and the Audit and Risk Committee (ARC) to seek and receive assurance on the effectiveness of the framework for managing corporate risk. The ARC is an independent body responsible to Council for oversight of the internal control system. Key work includes new metrics of execution and resource gaps for corporate risks, considering the impact of increasing and decreasing target risks; analysis of internal and external risk assurance and developing a 'deep dive' protocol and programme for ongoing implementation in 2022/23.

Council is of the view for the period to the end of the 2021/22 financial year, and up to the approval and signing of the annual financial statements, that:

- a sound system of internal control is in place
- University management has a clear understanding of these risks and is taking appropriate mitigating actions where possible.

There are no significant control weaknesses that have arisen in the reporting period to 31 July 2022, or since the year end but before these financial statements were signed.

## CORPORATE GOVERNANCE STATEMENT

This corporate governance statement covers the period from 1 August 2021 to the date of approval by Council of the financial statements (30 November 2022).

Council is led by one of its independent members who is also one of the Pro-Chancellors of the University. Council is responsible for the administration of the revenue and property of the University, and, in accordance with the Charter, has "general control over the University and its affairs, purposes and functions". Council also has overarching responsibility for ensuring that the University maintains a sound system of internal control and for reviewing its effectiveness. Council remains satisfied that the governance of the University applies the six key elements of the CUC HE Code.

In July 2021 Council adopted the recommendations arising from the Halpin Partnership Ltd University of York Council Effectiveness Review. The Review concluded that the University's corporate governance arrangements were 'Good' or 'Leading Edge' mapped against Halpin's University Governance Maturity Framework, and that its "governance practice, principles, processes, and values comply with the CUC Code". In 2021/22 the programme of work to deliver the recommendations arising from the Review have been delivered, under the regular oversight of Council.

Alongside this programme of work, throughout the year and in July 2022, Council has approved comprehensive amendments to the University Charter and Statutes to simplify, clarify and modernise the formal powers of the University, its key bodies and officers. At the time of approving these accounts, Council has received confirmation that the amended Charter and Statutes have been approved by the Privy Council to come into force in January 2023.

Transparency of the University's corporate governance arrangements is ensured by making key information publicly accessible online, including the terms of reference and membership of Council, UEB and their key committees. The web pages also contain the annual disclosures of interests of Council and UEB members. In 2021/22 we published a Code of practice for transparency and openness in the conduct of formal committee business, including meeting minutes and agendas, while being mindful of the need to protect the reputation and interests of the University and its staff and students.

## THE UNIVERSITY COUNCIL

Council's annually updated schedule of business is closely linked to its formal 'Statement of Primary Responsibilities':

1. To approve the mission, strategic vision, long-term academic and business plans and key performance indicators of the University.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be benchmarked against other comparable institutions.
3. To delegate authority to the Vice-Chancellor as head of the University and to establish and keep under regular review the policies, procedures and limits within which such authority is exercised.
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
5. To ensure that an effective framework is in place to manage the quality of the student academic experience and the maintenance of standards.
6. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself, with a formal review at least once every five years.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.

- 8. To safeguard the reputation and values of the University.
- 9. To appoint the Vice-Chancellor (in consultation with the Senate), put in place suitable arrangements for monitoring his/her performance and set appropriate remuneration (through the Remuneration Committee).
- 10. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
- 11. To be the accountable financial and business authority of the University, to ensure that proper accounts are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
- 12. To ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
- 13. To receive assurance that adequate provision has been made for the general wellbeing of students.
- 14. To ensure that any property, legacy, endowment, bequest or gift made to the University is used to support its work.
- 15. To ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

In 2021/22, Council resumed its regular practice of an in-person Away Day with UEB, development sessions and five formal meetings. The strategic development, advisory and approval role of Council has been further embedded in 2021/22. As well as prioritising oversight of strategic performance on its formal meeting agenda, Council has continued to hold deliberative and development sessions on the University Strategy 2030, work to advance York as an anti-racist University, the University and the economy, and case studies of widespread research excellence, as evidenced by the University's leading performance in the Research Excellence Framework 2021.

Below is a snapshot of key Council business considered and/or approved across its five meetings in 2021/22.

Strategic advisory and/or approval	Regulatory and policy approval
Vice-Chancellor and President strategic horizon scanning and impact analysis	Council's own EDI statement and action plan and gender and ethnicity pay gap reporting
University Strategy 2030 and transformational initiatives	Delivery oversight of Halpin Council Effectiveness Review
Integrated infrastructure plan 2030	Charter and Statutes review
Sustainability plan 2021-2030	Policies: Speak Up (Whistleblowing), Scheme of Delegated Approvals, Financial Regulations
Strategic risk and KPIs	Health and safety annual report
Research Excellence Framework (2021)	Academic annual assurance, Research integrity and Degree outcomes statements
Student recruitment	Suite of OfS accountability returns, including annual financial returns

## COUNCIL SUB-COMMITTEES

As an outcome of the Halpin Review of Council Effectiveness (2021), the corporate governance committee system was reconfigured. This included disbandment of the Ethics Framework Governance Committee. Its remit is now overseen through a combination of direct UEB and Council oversight, and the Academic Ethics and Compliance Committee of Senate. There was also a merger of the Nominations and Honorary Associations Committees. We also migrated some Council sub-committees to sit underneath other senior bodies where they were more aligned to the other body's remit. On this basis, Student Life Committee now singularly reports to the Senate, and Equality, Diversity and Inclusion and Health, Safety and Welfare Committees to UEB, to provide clear executive oversight and assurance in these key areas upwards into Council sub-committees, and ultimately to Council.

**Senate** (Chair: Vice-Chancellor and President) sits at the apex of the academic governance of the University; it oversees and regulates the academic work of the University in both teaching and research, and approves policy, regulation and procedures governing this activity, including student discipline. Senate is responsible for providing assurance to Council in relation to all matters of academic quality and standards, the student academic experience and outcomes, ratifying the award of academic qualifications of the University, determining the criteria for student admissions and other matters delegated to it from Council. In 2021/22 a Senate Effectiveness Review was undertaken, overseen by a Review Group. The review concluded that overall, Senate is

well-functioning, with many positive reflections and conclusions on its effectiveness, including the highest levels of agreement in the online survey around Senate's understanding of/commitment to the University's strategic vision; and its commitment to supporting and promoting academic freedom, research and the student experience. The ten recommendations arising from the review were adopted by Senate at its July 2022 meeting, for implementation across the 2022/23 academic year.

**Constitution and Nominations Committee** (Chair: Chair of Council and Pro-Chancellor) is a new Committee arising from a merger of Honorary Associations and Nominations Committee. It has met four times in 2021/22 to discuss a range of constitutional matters relating to Council and Court and committee membership, Chair and Chancellor succession, Charter and Statutes review and honorary degree nominations.

**Audit and Risk Committee** (Chair: independent Council member) comprises independent Council members (plus one co-opted external member who is not a Council member) and meets five times per year. The findings of the Committee's effectiveness review (2020/21) were implemented in 2021/22, including approval of revised terms of reference and a new business plan. At its joint annual meeting with the Finance Committee, the Committee reviewed the 2021/22 Annual Report and Financial Statements, including the University's response to the external auditor's annual management letter. Advised by the internal audit service, the Committee also reviews the effectiveness of the system of internal control and has ongoing oversight of the review of the University's risk

management arrangements, taking assurance that arrangements are in place to promote value for money and data quality.

**Remuneration Committee** (Chair: a Pro-Chancellor other than the Chair of Council) determines the remuneration of the University's most senior staff, including the Vice-Chancellor (who is not a member of the Committee) and his direct reports. The Committee continues to strengthen its arrangements to ensure consistency with the Higher Education Senior Staff Remuneration Code published by the CUC (revised in 2021), and related OfS disclosure requirements, including strengthened internal reporting to Council and external disclosure on matters of senior remuneration governance.

**Finance Committee** (Chair: University Treasurer) considers the financial implications of the University's strategic plans, as well as the annual budget and the medium-term financial forecast. It also reviews the University's borrowing strategy and the financial aspects of any projects deemed to have significant budgetary implications. It signed off a range of policy matters in the year, including revisions to the University's Financial Regulations. A Finance Committee Effectiveness Review was embarked on in 2020/21 and was concluded in the Autumn Term 2021, with the findings implemented.

**Urgent Decisions Group** met on three occasions in 2021/22, with delegated authority from Council to transact pressing matters for decision outside the scheduled Council meeting cycle. These included capital- and estates-related matters, and matters relating to Universities Superannuation Scheme (USS) and University of York Pension Fund (2020) valuation exercises and consultations.

## PUBLIC FUNDING

As a provider in receipt of public funding from the Office for Students (OfS), UK Research and Innovation (UKRI), the University has due regard to ensure regularity and propriety in the use of that public funding. This includes key financial controls that are set out in the University's Financial Regulations, Scheme of Delegated Approvals (SoDA) and underpinning policies, including in relation to expenditure and value for money. The adequacy of these arrangements is subject to periodic review via internal and external audit, and returns submitted to, or auditing undertaken by, those external funding and regulatory bodies.

## PUBLIC BENEFIT STATEMENT

The University of York is an exempt charity under the terms of Schedule 3 of the Charities Act 2011 and is regulated by the Office for Students (OfS) as 'principal regulator' for this purpose. During the reporting period, Council, as the trustee board of the University has had regard to the Charity Commission's guidance on public benefit and is of the view that the University's charitable purposes are delivered for the public benefit, as required by the Charities Act 2011, Regulatory Advice Note 5 of the OfS and Charity Commission guidance.

The University delivers public benefit principally through the charitable purpose of the 'advancement of education' through teaching of undergraduate and postgraduate students, outreach activities such as public lectures and the York Festival of Ideas, and partnerships like that with Karazin Kharkiv National University in Ukraine.

The primary beneficiaries of delivering the University's charitable purposes are the students who are directly engaged in learning at the University. Students are offered places solely on the basis of academic merit. The University attracts large numbers of students from non-traditional backgrounds and is committed to supporting students financially on the basis of need. It provides an extensive range of bursaries and scholarships, as well as a financial hardship fund for students, which has continued after the Covid-19 pandemic period.

The University's research supports a spectrum of charitable purposes. Other beneficiaries include companies, public bodies and charities which employ York graduates; members of the local community who make use of University facilities, participate in continuing education courses and attend lectures, concerts and other events; and the wider public, which benefits from the University's world-leading contribution to research in the sciences, social sciences and humanities.

## University Council membership 2021/22

NAME	POSITION/MEMBERSHIP CATEGORY	EXPIRY OF CURRENT TERM
<b>Pro-Chancellors and other senior office holders</b>		
Ms Denise Jagger	Pro-Chancellor and Chair of Council	July 2023 <sup>1</sup>
Mr Philip Carpenter	Pro-Chancellor	July 2023
Mr Chris Thompson	Pro-Chancellor, Treasurer and senior independent lay member	July 2022 <sup>2</sup>
Professor Charlie Jeffery	Ex-officio: Vice-Chancellor and President	N/A
Professor Saul Tendler	Ex-officio: Deputy Vice-Chancellor and Provost	N/A
<b>Other independent members</b>		
Mrs Lindsey Fussell	Independent member (Deputy Treasurer)	July 2024
Ms Abisola Barber	Independent member	May 2025 <sup>3</sup>
Dr Simon Best	Independent member	October 2024
Professor Dame Vicki Bruce	Independent member	January 2023
Professor John Loughhead	Independent member	October 2024
Ms Judith McNicol	Independent member	October 2024
Ms Amanda Nevill	Independent member	October 2024
Ms Briana Pegado	Independent member	June 2022 <sup>4</sup>
Dr Philip Rycroft	Independent member (appointed by Court)	February 2025
Mr David Watson	Independent member (appointed by Court)	January 2023
<b>Academic and Professional Support staff members</b>		
Professor Jo Swaffield	Academic staff member elected by Senate	July 2022 <sup>5</sup>
Professor Kiran Trehan	Pro-Vice-Chancellor elected by Senate	September 2022
Professor Kieran Gibson	Academic staff member elected by Senate	January 2024
Professor Nicky Milner FBA	Academic staff member elected by Senate	July 2024
Professor Lesley Stewart	Academic staff member elected by Senate	July 2024
Mr Andy Durrant	Elected by Professional Support staff	December 2023
Mr Jonny Exon	Elected by Professional Support staff <sup>6</sup>	November 2024
<b>Students' Unions – Sabbatical Officer representatives</b>		
Mr Patrick O'Donnell	President of the Students' Union	July 2022 <sup>7</sup>
Ms Viviane Yuxin Cao	President of the Graduate Students' Association	August 2022 <sup>8</sup>
<b>Other Senior Officers in permanent attendance</b>		
Dr Adam Dawkins	University Secretary (Secretary to Council)	N/A
Dr Joss Ivory	Chief Operating Officer	N/A
Mr Jeremy Lindley	Finance Director	N/A

1. Reappointed for a one-year extension to their final term from 1 August 2022.

2. Reappointed for a four-year term from 1 August 2022.

3. Appointed for an initial three-year term from 1 June 2022.

4. Six-month leave of absence granted to 31 December 2021 and resignation tendered thereafter.

5. Resigned on 31 August 2021 due to leaving the University to take up an external post.

6. Elected on 22 November 2021.

7. Mr Pierrick Roger was appointed to Council in July 2022 as incoming YUSU President for 2022/23.

8. Re-elected for a second and final one-year term.

# REMUNERATION

This report outlines the responsibilities of the Remuneration Committee and the approach used to **determine remuneration** of senior University staff.

This report outlines the responsibilities of the Remuneration Committee and the approach used to determine remuneration of senior University staff and has been prepared to comply with Element III (Transparency and accountability) of The Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC) in November 2021. The report covers the period 1 August 2021 to 31 July 2022.

## ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee is a formal sub-committee of the University Council and determines the remuneration of senior post-holders of the University as noted below:

- Vice-Chancellor and President
- Deputy Vice-Chancellor and Provost
- Chief Operating Officer
- Finance Director
- Pro-Vice-Chancellor Research
- Pro-Vice-Chancellor Teaching, Learning and Students
- Pro-Vice-Chancellor Partnerships and Engagement
- Dean of the Faculty of Arts and Humanities
- Dean of the Faculty of Sciences
- Dean of the Faculty of Social Sciences

Members of the Remuneration Committee are nominated by the University Nominations Committee and appointed by Council. The Chair of Council is a member of the Remuneration Committee but is not the Chair of the Committee. In addition to the Council members, a further external member is recruited to provide relevant knowledge. The Vice-Chancellor and President is not a member of the Remuneration Committee. However, he attends to present a paper on the performance of, and remuneration proposals for, his direct reports, namely the senior post-holders noted above. He also attends for any matters where it is appropriate for the Vice-Chancellor and President to provide the perspective of the University Executive Board. No individual is in attendance when their own remuneration is discussed.

The Terms of Reference, membership, meeting schedule, attendance and minutes for the Remuneration Committee are published on the University website and reflect the guidance provided by the Higher Education Senior Staff Remuneration Code. Details can be found at: [york.ac.uk/remuneration](http://york.ac.uk/remuneration)

## APPROACH TO SENIOR REMUNERATION

### Higher education context

The University of York is a member of the Russell Group of 24 leading UK universities which are committed to maintaining the very best research, an outstanding teaching and learning experience and outstanding, unrivalled links with the corporate and public sector. The University has 22,235 students on its programmes, employs 5,194 staff and has a turnover of £472m, making it a major employer in the local area.

### Remuneration strategy and governance

Against this context, the Remuneration Committee recognises that the University needs to offer sufficiently competitive remuneration to attract and retain the most talented staff, including senior leadership and academic staff. It is committed to ensuring that its decisions are informed by relevant and robust external market data, and are cognisant of equal pay considerations and of relativities of any remuneration increases to those received by other staff at the University, and of the current and future position of the University.

The University of York has Strategic Remuneration Principles that set out the University of York approach to managing remuneration decisions for all staff outside the National Pay Framework. These principles acknowledge the importance and challenge of attracting and retaining the talent required to deliver the University Strategy, the importance of rigour and transparency in relation to remuneration decisions and the need to reflect The Higher Education Senior Staff Remuneration Code.



The four principles are:

- attracting and retaining talent
- recognising performance and contribution
- delivering value for money
- fairness, equality and transparency.

In addition, the University has an agreed protocol set out in a Remuneration Governance Framework that defines accountabilities for decisions on senior remuneration. In particular, the Remuneration Committee oversees all decisions relating to individuals where remuneration is over £100,000.

### Links between remuneration and institutional performance

The Vice-Chancellor's remuneration package reflects the level of responsibility and skills required to maintain the reputation of a dynamic institution such as the University of York and is commensurate with the leadership strengths required to sustainably guide the University through what has been the most uncertain and turbulent period in our history. Overseeing the continued success and development of the University while addressing the complex set of challenges posed by Covid-19 are factors in determining the salary of the Vice-Chancellor.

### Strategy 2030 – Vision for York

Recognising the need to introduce wide-ranging measures to help the University adapt and thrive both academically and financially, the Vice-Chancellor has set in motion a strategy for the next ten years.

### Programme for change

The Vice-Chancellor has overseen the introduction of an ambitious programme of changes aimed at simplifying and improving the current organisational structure of the University.

### Sustainability

The University recognises that sustainability is one of the main challenges for at least the next ten years. Our Sustainability Strategy targets areas where the University can deliver the biggest positive impacts, building on the excellent work already undertaken.

### Teaching and research successes

In 2022 the University again scored highly in the National Student Survey, coming first in the Russell Group for academic support. We entered the UK's top ten universities for research quality (*Times Higher Education* ranking of the Research Excellence Framework 2021), rewarding our commitment to world-leading research.

### Pay multiples

The following table shows the relationship between the remuneration of the Vice-Chancellor and President and the median value for all other staff at the University.

	2021/22	2020/21
<b>Basic salary</b>	<b>9.76</b>	9.79
<b>Total remuneration</b>	<b>9.43</b>	9.45

The University is an accredited Living Wage employer and, as such, changed the rates of pay for employees on relevant grades, giving some colleagues an increase in salary and others increased earning potential from future increments.

## SOURCES OF MARKET INFORMATION

The Remuneration Committee receives information from the following sources to support remuneration decisions for senior members of staff:

- the Korn Ferry Hay Russell Group Pay Survey which compares remuneration data for the institutions that participate in the survey
- the Universities and Colleges Employers Association's Senior Staff Remuneration Survey
- internal analysis of pay relativities and gender pay considerations
- expert searches which may be commissioned to support recruitment to specific roles.

## OTHER REMUNERATION

### Bonus

The University of York does not operate a performance-related bonus scheme for any staff, other than administering awards made under the NHS scheme for some senior clinicians and for staff in some of the University subsidiaries.

A one-off payment of £500 was made to all staff in recognition of their hard work and commitment throughout the pandemic.

### Grading

The University operates a grading system for all staff at the University; the grading for senior post-holders is underpinned by the Korn Ferry Hay job evaluation methodology.

### Pension

Senior post-holders have access to the same employer pension scheme as other employees who are grade 6 and higher, namely the Universities Superannuation Scheme and, if relevant, the NHS Pension Scheme.

### Other benefits

No other benefits are provided. Independent members of Council and co-opted external members on committees are all voluntary unpaid roles.

## EXTERNAL APPOINTMENTS

The University of York policy on work by university staff for outside bodies is provided on the University website at: [york.ac.uk/staff/research/consultancy/process-for-consultancy](http://york.ac.uk/staff/research/consultancy/process-for-consultancy)

## EXPENSES POLICY

The University has a stated expenses policy that applies to all staff including senior post-holders and independent members of Council. Details of expenses claimed by senior post-holders and other members of the University Executive Board are provided on the University website.

## COUNCIL ACCOUNTING RESPONSIBILITIES

The University Council is responsible for preparing the Annual Report and Financial Statements in accordance with the requirements of the Office for Students and Research England's terms and conditions of funding and applicable law and regulations.

### ACCOUNTING RESPONSIBILITIES

The Council is required to prepare Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education and the requirements of the Accounts Direction issued by the Office for Students.

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the Group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent University, to cease operations, or have no realistic alternative but to do so.

The University Council is responsible for keeping proper accounts and financial records. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. It also has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The University Council is also responsible for:

- ensuring that funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- ensuring that funds provided by the Office for Students and UK Research and Innovation (including Research England) have been applied in accordance with the terms and conditions attached to them
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF YORK

## Report on the audit of the financial statements

### OPINION

We have audited the financial statements of University of York ("the University") for the year ended 31 July 2022 which comprise the consolidated and University statement of comprehensive income and expenditure, consolidated and University statement of changes in reserves, consolidated and University balance sheets, consolidated cash flow statement and related notes, including the statement of principal accounting policies. In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022 and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### GOING CONCERN

The Council has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

### FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

#### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the audit and risk committee and internal audit as to the University's high-level policies and procedures to prevent and detect fraud, as well as whether they have any knowledge of any actual, suspected, or alleged fraud.
- Reading council, audit and risk committee and finance committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from research

contracts is recognised that is not compliant with grant terms and conditions and tuition fee income in regards to flexible provision is recorded in the incorrect period.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, year-end journals supporting University of York Pension Fund (UoYPF) balances and journals posted to unusual account combinations.

#### Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards), and from inspection and discussion with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group/University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related higher education and companies legislation), taxation legislation, pensions legislation and higher education financial reporting related regulation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group/University is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## OTHER INFORMATION

The Council is responsible for the other information, which comprises the Strategic Review and the Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

## COUNCIL RESPONSIBILITIES

As explained more fully in its statement set out on page 35, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue

as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Statutes;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 11 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in Note 3 to the financial statements, has been materially misstated.

We have nothing to report in these respects.

## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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



**Timothy Cutler**  
(Senior Statutory Auditor)  
for and on behalf of KPMG LLP,  
Statutory Auditor

Chartered Accountants  
1 St Peter's Square, Manchester M2 2AE

14 December 2022

# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

## 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of derivative financial instruments, investment properties, and joint ventures).

The financial statements have been prepared on a going concern basis, which the Council considers to be appropriate for the reasons set out below.

The University has prepared five-year financial forecasts and these show that it has sufficient funds to conduct its teaching, research and other activities into 2022/23 and beyond. There are also cash reserves available to fund the capital programme and future strategic initiatives.

Several going concern scenarios were considered as part of the forecasting process, covering optimistic, realistic, pessimistic and worst case outcomes.

The high-level assessment covered associated risks under the following headings:

- Student tuition and accommodation fee income
- Research funding
- Partnerships and related income
- Utility prices and consumption
- Infrastructure
- Employees – pay award inflation
- Financing
- Regulation.

Tuition fee, research, residential and commercial income, together with pay and operating expenditure, were all subject to stress testing. Under our pessimistic scenario with mitigations, cash remains above our own treasury minimum of 90 days' expenditure. Consequently, the Council is confident that the Group and University will have sufficient funds to continue to meet liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## 2. BASIS OF CONSOLIDATION

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2022. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union and the Graduate Students' Association as the University does not exert control or dominant influence over policy decisions. Associated companies and joint ventures are accounted for using the equity method.

## 3. INCOME RECOGNITION

Income from the sale of goods or services is credited to the statement of comprehensive income and expenditure when the goods or services are supplied to the external customers, or 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 statement of comprehensive income and expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is 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, including teaching grants from the Office for Students, research grants from government sources and grants (including research grants) from non-government sources, is 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.

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general

reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms applied to the individual endowment fund. Four main types of donations and endowments may be identified within reserves.

- Restricted donations: the donor has specified that the donation must be used for a particular objective.
- 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.
- Restricted expendable endowments: the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and the University has the power to use the capital.
- 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.

## 4. CAPITAL GRANTS

Capital grants are recognised in income when the University is entitled to the funds subject to any performance-related conditions being met.

## 5. ACCOUNTING FOR RETIREMENT BENEFITS

The three principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of York Pension Fund (UoYPF) and the People's Pension Scheme. The USS is a hybrid scheme being defined benefit up to a salary cap and defined contribution above the cap. The UoYPF is a defined benefit scheme. The People's Pension Scheme is a defined contribution scheme.

### Defined contribution schemes

A defined contribution scheme is a post-employment benefit scheme under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### Defined benefit schemes

Under defined benefit schemes, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University.

The University recognises a liability for its obligations under defined benefit schemes net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus, either through reduced contributions in the future or through refunds from the scheme.

#### **Universities Superannuation Scheme**

The University participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members) up to a salary cap as well as defined contribution benefits for contributions above the salary cap. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 Employee Benefits, the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income and expenditure represents the contributions payable to the scheme.

Currently, the scheme's liabilities are greater than its assets. As a result, the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit. The University recognises a liability for the future contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

## **6. EMPLOYMENT BENEFITS**

Short-term employment benefits such as salaries and compensated absences (i.e. holiday pay) 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.

## **7. FINANCE LEASES**

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## **8. OPERATING LEASES**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## **9. FOREIGN CURRENCY**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in surplus or deficit.

## **10. FIXED ASSETS**

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 Further Education and Higher Education Statement of Recommended Practice are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

#### **Land and buildings**

Land and buildings are measured using the cost/deemed cost model. Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives (maximum 50 years). Temporary buildings are depreciated over 10 years on a straight-line basis. Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years. The various components of buildings are depreciated over their useful life. No depreciation is charged on assets in the course of construction.

#### **Equipment**

Equipment, including computers and software, costing less than £20,000 per individual item is recognised as expenditure. Capitalised equipment costing more than £20,000 per individual item is stated at cost and depreciated over its expected useful life as follows:

- Equipment 2–10 years
- Mechanical and electrical installations 15–40 years
- Vehicles 3–20 years

#### **Heritage assets**

Works of art and other valuable artefacts have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are regularly revalued and are not depreciated, as their long economic life and high residual value mean that any depreciation would not be material.

## **11. INVESTMENTS**

Investments in subsidiaries are carried at cost less impairment in the University's accounts. Current asset investments are held at fair value with movements recognised in the surplus or deficit.

## **12. STOCK**

Stock is held at the lower of cost and net realisable value and is measured using an average cost formula.

## **13. CASH AND CASH EQUIVALENTS**

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

## **14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event
- it is probable that an outflow of economic benefits will be required to settle the obligation
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

## 15. ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method in preparing the consolidated accounts. The University accounts for its share of transactions from joint operations and jointly controlled assets in the statement of comprehensive income and expenditure.

## 16. TAXATION

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and, accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) 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 (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law.

## 17. RESERVES

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through an 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.

## 18. ACCOUNTING CURRENCY

The University is based in the United Kingdom. The financial statements are prepared in sterling, the currency of the United Kingdom. The amounts have been rounded to the nearest thousand pounds.

## 19. FINANCIAL INSTRUMENT RISKS

The University has chosen to apply the provisions of Sections 11 and 12 of FRS 102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and intention either to settle the asset on a net basis, or to realise the asset and settle the liability simultaneously.

The University's financial assets and liabilities meet the criteria for basic financial instruments prescribed within FRS 102 and are measured as stated below.

### Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value if the investment is publicly traded, or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income. All other investments are measured at cost less impairment.

### Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

### Loans

Loans are basic financial instruments that are initially recorded at the transaction price, net of transaction costs. Subsequently, they are measured at the transaction price, net of transaction costs.

Other financial instruments are measured as stated below.

### Price and interest rate risk

Price risk arises on financial instruments because of changes, for example, in commodity prices or equity prices. Listed investments are exposed to price risk but this exposure is within the University's risk appetite. Bank deposits are subject to variable interest rates and the University is exposed to financial risk on these assets. The University does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the University. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit ratings which have been assigned by international credit rating agencies. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Finance Committee. Trade receivables consist of many customers, spread across diverse sectors, populations and geographical areas.

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University Council. The University manages liquidity risk by maintaining adequate cash balances, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of certain financial assets and liabilities.

## 20. ACCOUNTING ESTIMATES

Key estimates included in these accounts are stated below.

### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS). In accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme. The last formal completed actuarial valuation of the scheme was at 31 March 2020 and completed in October 2021. This is reflected in the pension liability provision at 31 July 2022. Details of this provision, which has been discounted at a rate of 3.33% as at 31 July 2022, are included in Note 32 to the accounts.

Sensitivity analysis is provided below, based on possible changes of the assumptions occurring at 31 July 2022. The sensitivities have been derived in the same manner as the defined benefit obligation as at 31 July 2022. The sensitivities are calculated by changing each assumption with all other things held constant.

- A decrease in discount rate by 0.5% per annum from 3.33% per annum to 2.83% per annum leads to an increase in the provision of £6.5m at 31 July 2022.
- An increase in the combined growth in future payroll costs for inflation, pay rises or additional staff by 0.5% per annum leads to an increase in the provision of £0.7m at 31 July 2022.

It is acknowledged that presuming all other assumptions remain constant has inherent limitations, given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

### University of York Pension Fund

The University of York Pension Fund is accounted for as a defined benefit scheme. Pension costs under FRS 102 and the amount of the provision in the balance sheet are based on the actuarial valuation, and on assumptions, including the appropriate discount rate, agreed by management following actuarial advice.

These assumptions are detailed in Note 32 to the accounts.

The following sensitivity analysis has been calculated for changes to the assumptions underlying the pension provision.

- If the discount rate assumption decreases by 0.5% per annum then the pension provision at 31 July 2022 decreases by £17.5m.
- The Fund's past service benefits are no longer linked to salary increases. Any change in salary increase assumption would have no impact on the net pension asset as at 31 July 2022.

It is acknowledged that presuming all other assumptions remain constant has inherent limitations, given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

#### Goodwill

In 2018/19 the University purchased 50% of Student Accommodation Provision Three LLP. The goodwill relating to the acquisition is being amortised over 10 years which is the estimated useful life of the goodwill.

#### Holiday pay

The University estimates the cost of the holiday that has not been taken by members of staff at the year end. The estimated cost of accrued holiday is based on the available holiday records and current salary costs.

#### Doubtful debt provision

At the end of the year the University reviews the amounts that it is owed and makes an estimate of the debts that are not likely to be paid. The review covers all debts over three months old and over £3,000.

#### Fixed assets

The University estimates the useful economic life of tangible fixed assets based on the type of asset, expected life of similar buildings and equipment and experience.

## 21. ACCOUNTING JUDGEMENTS

Key judgements used in the preparation of the accounts are as follows.

#### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control, typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). The resulting expense is recorded in the statement of comprehensive income and expenditure in accordance with

section 28 of FRS 102. The Council is satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

#### Impairment of land and buildings

The University estate is valued on a historical cost basis. The values of the properties have been reviewed and assessed as reasonable.



The University community joined the York Pride Parade 2022



## Consolidated and University statement of comprehensive income and expenditure

	Notes	Consolidated		University	
		Year ended 31 July 2022 £000	Year ended 31 July 2021 £000	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
<b>Income</b>					
Tuition fees and education contracts	1	252,799	229,082	252,799	229,082
Funding body grants	2	51,462	47,471	51,462	47,471
Research grants and contracts	4	79,717	69,810	79,717	69,810
Other income	5	85,167	63,351	69,776	51,823
Investment income	6	828	908	2,888	2,134
Donations and endowments	7	2,194	3,230	2,194	3,230
<b>Total income</b>		<b>472,167</b>	<b>413,852</b>	<b>458,836</b>	<b>403,550</b>
<b>Expenditure</b>					
Staff costs – excluding USS Provision		253,836	252,256	242,331	242,872
Staff costs – USS Provision movement	22	98,638	(6,132)	98,453	(6,130)
<b>Total staff costs</b>	8	<b>352,474</b>	<b>246,124</b>	<b>340,784</b>	<b>236,742</b>
Other operating expenses		163,146	133,948	164,898	135,110
Depreciation	14	31,067	32,334	28,073	29,282
Interest and other finance costs	9	9,976	10,276	8,407	8,707
<b>Total expenditure</b>	10	<b>556,663</b>	<b>422,682</b>	<b>542,162</b>	<b>409,841</b>
<b>Deficit before other (losses) and share of operating surplus of joint ventures</b>		<b>(84,496)</b>	<b>(8,830)</b>	<b>(83,326)</b>	<b>(6,291)</b>
Gain on disposal of fixed assets		-	34	-	34
Revaluation of heritage assets		-	2,579	-	2,579
(Loss)/Gain on investments		(588)	883	(588)	883
Amortisation of goodwill	13	(341)	(341)	(341)	(341)
Share of operating surplus in joint ventures	17	2,223	11,375	-	-
<b>(Deficit)/surplus before tax</b>		<b>(83,202)</b>	<b>5,700</b>	<b>(84,255)</b>	<b>(3,136)</b>
Taxation	12	-	-	-	-
<b>(Deficit)/surplus after tax</b>		<b>(83,202)</b>	<b>5,700</b>	<b>(84,255)</b>	<b>(3,136)</b>
Pension scheme actuarial gains	32	69,856	31,134	69,856	31,134
Purchase of non-controlling interest		-	(500)	-	-
<b>Total comprehensive income for the year</b>		<b>(13,346)</b>	<b>36,334</b>	<b>(14,399)</b>	<b>27,998</b>
<b>Represented by</b>					
Endowment comprehensive income for the year		(357)	811	(357)	811
Restricted donations comprehensive income for the year		382	1,326	382	1,326
Restricted grants comprehensive income for the year		1,410	(12,219)	1,410	(12,219)
Unrestricted comprehensive income for the year		(14,781)	46,963	(15,834)	38,080
Attributable to the University		(13,346)	36,881	(14,399)	27,998
Attributable to the non-controlling interest		-	(547)	-	-
		<b>(13,346)</b>	<b>36,334</b>	<b>(14,399)</b>	<b>27,998</b>

All items of income and expenditure relate to continuing activities.

The table below does not form part of the financial statements.

<b>(Deficit)/surplus for the year</b>	<b>(83,202)</b>	<b>5,700</b>	<b>(84,255)</b>	<b>(3,136)</b>
USS provision movement	98,638	(6,132)	98,453	(6,130)
<b>Surplus/(deficit) for the year excluding USS pension provision</b>	<b>15,436</b>	<b>(432)</b>	<b>14,198</b>	<b>(9,266)</b>

The accompanying notes form an integral part of the financial statements.

## Consolidated and University statement of changes in reserves

	Income and expenditure account				Total excluding non-controlling interest £000	Non- controlling interest £000	Total £000
	Endowments £000	Restricted donations £000	Restricted capital grants £000	Unrestricted £000			
<b>Consolidated</b>							
<b>Balance at 1 August 2020</b>	<b>7,140</b>	<b>8,963</b>	<b>14,881</b>	<b>264,151</b>	<b>295,135</b>	<b>547</b>	<b>295,682</b>
Surplus/(deficit) for the year	811	1,326	-	3,610	5,747	(47)	5,700
Pension scheme actuarial gains	-	-	-	31,134	31,134	-	31,134
Purchase of minority	-	-	-	-	-	(500)	(500)
Release of restricted funds spent in year	-	-	(12,219)	12,219	-	-	-
<b>Total comprehensive income for the year</b>	<b>811</b>	<b>1,326</b>	<b>(12,219)</b>	<b>46,963</b>	<b>36,881</b>	<b>(547)</b>	<b>36,334</b>
<b>Balance at 31 July 2021</b>	<b>7,951</b>	<b>10,289</b>	<b>2,662</b>	<b>311,114</b>	<b>332,016</b>	<b>-</b>	<b>332,016</b>
Surplus/(deficit) for the year	(357)	382	3,037	(86,264)	(83,202)	-	(83,202)
Pension scheme actuarial gains	-	-	-	69,856	69,856	-	69,856
Release of restricted funds spent in year	-	-	(1,627)	1,627	-	-	-
<b>Total comprehensive income for the year</b>	<b>(357)</b>	<b>382</b>	<b>1,410</b>	<b>(14,781)</b>	<b>(13,346)</b>	<b>-</b>	<b>(13,346)</b>
<b>Balance at 31 July 2022</b>	<b>7,594</b>	<b>10,671</b>	<b>4,072</b>	<b>296,333</b>	<b>318,670</b>	<b>-</b>	<b>318,670</b>
<b>University</b>							
<b>Balance at 1 August 2020</b>	<b>7,140</b>	<b>8,963</b>	<b>14,881</b>	<b>230,525</b>	<b>261,509</b>	<b>-</b>	<b>261,509</b>
Surplus/(deficit) for the year	811	1,326	-	(5,273)	(3,136)	-	(3,136)
Pension scheme actuarial gains	-	-	-	31,134	31,134	-	31,134
Release of restricted funds spent in year	-	-	(12,219)	12,219	-	-	-
<b>Total comprehensive income for the year</b>	<b>811</b>	<b>1,326</b>	<b>(12,219)</b>	<b>38,080</b>	<b>27,998</b>	<b>-</b>	<b>27,998</b>
<b>Balance at 31 July 2021</b>	<b>7,951</b>	<b>10,289</b>	<b>2,662</b>	<b>268,605</b>	<b>289,507</b>	<b>-</b>	<b>289,507</b>
Surplus/(deficit) for the year	(357)	382	3,037	(87,317)	(84,255)	-	(84,255)
Pension scheme actuarial gains	-	-	-	69,856	69,856	-	69,856
Release of restricted funds spent in year	-	-	(1,627)	1,627	-	-	-
<b>Total comprehensive income for the year</b>	<b>(357)</b>	<b>382</b>	<b>1,410</b>	<b>(15,834)</b>	<b>(14,399)</b>	<b>-</b>	<b>(14,399)</b>
<b>Balance at 31 July 2022</b>	<b>7,594</b>	<b>10,671</b>	<b>4,072</b>	<b>252,771</b>	<b>275,108</b>	<b>-</b>	<b>275,108</b>

The accompanying notes form an integral part of the financial statements.

## Consolidated and University balance sheets

	Notes	Consolidated		University	
		31 July 2022 £000	31 July 2021 £000	31 July 2022 £000	31 July 2021 £000
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	13	2,098	2,439	2,098	2,439
Fixed assets	14	529,594	531,237	437,130	442,689
Heritage assets	15	3,857	3,857	3,857	3,857
Investments	16	6,811	7,406	50,658	51,251
Investments in joint ventures	17	30,130	29,507	5,817	5,817
Debtors due after more than one year	18	25,158	7,119	25,158	7,119
		<b>597,648</b>	581,565	<b>524,718</b>	513,172
<b>Current assets</b>					
Stock		583	537	243	177
Trade and other receivables	19	62,841	51,521	79,644	60,992
Cash and cash equivalents	25	193,606	191,566	173,577	176,384
		<b>257,030</b>	243,624	<b>253,464</b>	237,553
Less: Creditors: amounts falling due within one year	20	(143,937)	(134,075)	(137,719)	(129,126)
<b>Net current assets</b>		<b>113,093</b>	109,549	<b>115,745</b>	108,427
<b>Total assets less current liabilities</b>		<b>710,741</b>	691,114	<b>640,463</b>	621,599
Creditors: amounts falling due after more than one year	21	(234,063)	(234,972)	(207,599)	(208,032)
<b>Provisions</b>					
Pension provisions	22	(158,008)	(124,126)	(157,756)	(124,060)
<b>Total net assets</b>		<b>318,670</b>	332,016	<b>275,108</b>	289,507
<b>Reserves</b>					
<b>Restricted reserves</b>					
Income and expenditure reserve – endowments	23	7,594	7,951	7,594	7,951
Income and expenditure reserve – restricted donations	24	10,671	10,289	10,671	10,289
Income and expenditure reserve – restricted capital grants	24	4,072	2,662	4,072	2,662
<b>Unrestricted reserves</b>					
Income and expenditure reserve – unrestricted		296,333	311,114	252,771	268,605
<b>Total reserves</b>		<b>318,670</b>	332,016	<b>275,108</b>	289,507

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Council on 29 November 2022 and were signed on its behalf by:

Professor Charlie Jeffery, Vice-Chancellor and President

Ms Denise Jagger, Chair of Council

Mr Jeremy Lindley, Director of Finance

## Consolidated cash flow statement

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
<b>Cash flow from operating activities</b>		
(Deficit)/surplus for the year	(83,202)	5,700
<b>Adjustment for non-cash items</b>		
Depreciation	31,067	32,334
Goodwill amortisation	341	341
Loss/(gain) on investments	588	(883)
(Increase)/decrease in stock	(46)	7
(Increase) in debtors	(12,673)	(3,784)
Increase in creditors	11,033	26,383
Increase in pension provisions	85,699	1,840
Share of operating (surplus) in joint ventures	(2,223)	(11,375)
Revaluation of heritage assets	-	(2,579)
Amortisation of residences receipt	(449)	(448)
	<b>113,337</b>	41,836
<b>Adjustment for investing or financing activities</b>		
Investment income	(828)	(908)
Interest payable	9,112	8,609
Donations and endowments	(2,194)	(3,230)
Profit on sale of fixed assets	-	(34)
Capital grant income	(3,103)	(888)
	<b>2,987</b>	3,549
<b>Net cash inflow from operating activities</b>	<b>33,122</b>	51,085
<b>Cash flows from investing activities</b>		
Proceeds from sales of fixed assets	-	34
Capital grant receipts	4,570	16,812
Acquisition of non-current asset investments	6	509
Receipts from joint ventures	1,600	1,332
Investment income	714	916
Purchase of non-controlling interest	-	(500)
Payments made to acquire fixed assets	(30,595)	(37,273)
<b>Total investing activities</b>	<b>(23,705)</b>	(18,170)
<b>Cash flows from financing activities</b>		
Interest paid	(9,111)	(8,645)
Endowment cash received	2,194	3,230
Repayments of amounts borrowed	(460)	(459)
<b>Total financing activities</b>	<b>(7,377)</b>	(5,874)
<b>Increase in cash and cash equivalents in the year</b>	<b>2,040</b>	27,041
<b>Cash and cash equivalents at beginning of the year</b>	<b>191,566</b>	164,525
<b>Cash and cash equivalents at the end of the year</b>	<b>193,606</b>	191,566
<b>Increase in cash balances</b>	<b>2,040</b>	27,041

The accompanying notes form an integral part of the financial statements.

## Notes to the accounts

### 1. Tuition fees and education contracts

	Consolidated		University	
	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000	£000	£000
Full-time home and EU students	128,321	125,385	128,321	125,385
Full-time international students	102,155	83,462	102,155	83,462
Part-time students	8,512	8,334	8,512	8,334
Other teaching contract course fees	2,660	910	2,660	910
Research training support grant	8,276	9,262	8,276	9,262
Short courses and other fees	2,875	1,729	2,875	1,729
	<b>252,799</b>	<b>229,082</b>	<b>252,799</b>	<b>229,082</b>

### 2. Funding body grants

	Consolidated		University	
	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000	£000	£000
Office for Students	10,292	9,112	10,292	9,112
Research England	26,418	26,254	26,418	26,254
Specific grants	14,752	12,105	14,752	12,105
	<b>51,462</b>	<b>47,471</b>	<b>51,462</b>	<b>47,471</b>

### 3. Grant and fee income

The source of grant and fee income included in Note 1 and Note 2 above is as follows:

	Consolidated		University	
	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000	£000	£000
Grant income from the OfS	10,292	9,112	10,292	9,112
Specific grant income from the OfS	14,752	12,105	14,752	12,105
<b>Total grant income from the OfS</b>	<b>25,044</b>	<b>21,217</b>	<b>25,044</b>	<b>21,217</b>
Grant income from other bodies	26,418	26,254	26,418	26,254
Fee income for research awards (exclusive of VAT)	19,448	18,645	19,448	18,645
Fee income for non-qualifying courses (exclusive of VAT)	2,875	1,729	2,875	1,729
Fee income for taught awards (exclusive of VAT)	230,476	208,708	230,476	208,708
	<b>304,261</b>	<b>276,553</b>	<b>304,261</b>	<b>276,553</b>

### 4. Research grants and contracts

	Consolidated		University	
	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000	£000	£000
UK-based research councils	35,247	27,424	35,247	27,424
UK-based charities	11,431	11,801	11,431	11,801
UK government bodies, local authorities, health and hospital authorities	19,263	17,391	19,263	17,391
UK industry and commerce	1,238	729	1,238	729
EU government bodies and similar organisations	8,063	9,618	8,063	9,618
Overseas bodies	4,475	2,847	4,475	2,847
	<b>79,717</b>	<b>69,810</b>	<b>79,717</b>	<b>69,810</b>

The University has recognised £1.7m (2020/21: £nil) of capital grants for research equipment and property. In line with the requirements of FRS 102, these have been recognised in the year when the grants have been announced rather than in the year when the capital expenditure is incurred.

### 5. Other income

	Consolidated		University	
	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000	£000	£000
Residences, catering, conferences and retail activities	82,066	60,734	66,675	49,206
Other income	3,101	2,617	3,101	2,617
	<b>85,167</b>	<b>63,351</b>	<b>69,776</b>	<b>51,823</b>

### 6. Investment income

	Notes	Consolidated		University	
		Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
		£000	£000	£000	£000
Investment income on endowments	23	130	123	130	123
Investment income on restricted reserves	24	88	52	88	52
Other investment income		610	733	2,670	1,959
		<b>828</b>	<b>908</b>	<b>2,888</b>	<b>2,134</b>

### 7. Donations and endowments

	Notes	Consolidated		University	
		Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
		£000	£000	£000	£000
Donations with restrictions	24	1,989	3,114	1,989	3,114
Unrestricted donations		205	116	205	116
		<b>2,194</b>	<b>3,230</b>	<b>2,194</b>	<b>3,230</b>

### 8. Staff costs

	Notes	Consolidated		University	
		Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
		£000	£000	£000	£000
Salaries		202,551	191,226	194,998	182,622
Social security costs		20,636	18,583	19,989	18,020
Pension costs	32	30,194	38,949	26,903	38,746
Early retirement and severance costs		455	3,498	441	3,484
Movement in USS provision	22	98,638	(6,132)	98,453	(6,130)
		<b>352,474</b>	<b>246,124</b>	<b>340,784</b>	<b>236,742</b>

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
<b>Vice-Chancellor and President, Professor Charlie Jeffery</b>		
Salary	288,562	285,000
Voluntary salary reduction	-	(28,500)
<b>Total remuneration</b>	<b>288,562</b>	<b>256,500</b>

In 2020/21 Professor Jeffery voluntarily elected to take a 20% pay cut for 6 months from 1 August 2020. The total reduction in the 2020/21 financial year was £28,500.

## Notes to the accounts (continued)

### Remuneration

The Vice-Chancellor's remuneration is determined by the Remuneration Committee. The remuneration package reflects:

- external comparator data including those for the Russell Group
- individual performance against strategic objectives that encompass all aspects of the role
- the level of responsibility and skills required to maintain the reputation of a dynamic institution such as the University of York
- the leadership strengths and qualities required to guide the University through the turbulent and unpredictable future facing the UK higher education sector
- the scale, complexity and success of the institution.

Further details of the remuneration of the Vice-Chancellor and other staff can be found in the remuneration report on page 30.

### Pensions

The Vice-Chancellor, Professor Jeffery, is not a member of a pension scheme.

### Salary sacrifice arrangements

The Vice-Chancellor, Professor Jeffery, has no salary sacrifice arrangements.

### Benefits in kind

The Vice-Chancellor, Professor Jeffery, received no benefits in kind.

### Pay ratios

The Office for Students requires the University to publish the following ratios regarding the Vice-Chancellor's remuneration.

1. Basic salary ratio: this is the Vice-Chancellor's basic salary as a ratio of the median basic salary of all staff expressed as full-time equivalents.
2. Total remuneration ratio: this is the Vice-Chancellor's total remuneration as a ratio of the median total remuneration of all staff expressed as full-time equivalents.

	Year ended 31 July 2022	Year ended 31 July 2021
<b>Vice-Chancellor and President, Professor Charlie Jeffery</b>		
Basic salary ratio	9.76	9.79
Total remuneration ratio	9.43	9.45

### Remuneration of other higher paid staff

The number of staff (FTE), excluding the Vice-Chancellor, who have a full-time-equivalent base salary of £100,000 or greater is given below. The figures exclude bonus payments, allowances, clinical excellence awards and other such payments, employer's pension contributions, employer's National Insurance and compensation for loss of office. They include any market supplements that are paid.

- Salary bandings are based on salaries at the end of the financial year.
- Salary bandings exclude any person starting or leaving in the year.

As a leading research-intensive university, the organisation aims to recruit high quality academic and research staff in line with its strategic objectives.

Bands	Number of employees					
	Year ended 31 July 2022			Year ended 31 July 2021		
	Academic	Senior management	Total	Academic	Senior management	Total
£100,000 to £104,999	27	1	28	16	1	17
£105,000 to £109,999	12	1	13	8	-	8
£110,000 to £114,999	14	3	17	6	4	10
£115,000 to £119,999	13	1	14	5	1	6
£120,000 to £124,999	3	3	6	5	3	8
£125,000 to £129,999	2	1	3	3	1	4
£130,000 to £134,999	2	-	2	2	1	3
£135,000 to £139,999	4	-	4	4	-	4
£140,000 to £144,999	-	2	2	2	1	3
£145,000 to £149,999	3	2	5	1	2	3
£150,000 to £154,999	1	-	1	2	-	2
£155,000 to £159,999	-	1	1	-	1	1
£170,000 to £174,000	1	-	1	-	-	-
£185,000 to £189,999	-	1	1	-	1	1
£190,000 to £194,999	-	-	-	-	1	1
£195,000 to £199,999	-	1	1	-	-	-
£285,000 to £289,999	-	1	1	-	1	1
<b>Total</b>	<b>82</b>	<b>18</b>	<b>100</b>	<b>54</b>	<b>18</b>	<b>72</b>

### Key management personnel

Key management personnel are members of the University Executive Board (UEB). The members have the responsibility for planning, organising and directing the activities of the University.

### Key management personnel compensation

Key management personnel compensation includes salary, benefits in kind, and employer's pension contributions for the period in which employees were part of the UEB.

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Key management personnel compensation	2,526	2,312

	Year ended 31 July 2022 Number	Year ended 31 July 2021 Number
Members of University Executive Board (FTE)	14.25	13.71

### Severance costs

The amount of compensation for loss of office paid across the University Group and the number of people (headcount) to whom this was payable are as follows:

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
University	441	3,484
Subsidiary undertakings	14	14
	455	3,498

	Year ended 31 July 2022 Number	Year ended 31 July 2021 Number
University	75	200
Subsidiary undertakings	2	2
	77	202

### Average staff numbers (FTE) by major category

	Year ended 31 July 2022 Number	Year ended 31 July 2021 Number
Academic	2,031	1,914
Support	2,672	2,572
Total	4,703	4,486

## 9. Interest and other finance costs

	Notes	Consolidated		University	
		Year ended 31 July 2022 £000	Year ended 31 July 2021 £000	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Loan interest		8,588	8,609	7,020	7,041
Net charge from UoYPF					
- benefit interest costs	22	4,159	3,461	4,159	3,461
- interest income	22	(3,295)	(2,265)	(3,295)	(2,265)
Net charge from USS provision	22	524	471	523	470
		9,976	10,276	8,407	8,707

## Notes to the accounts (continued)

### 10. Analysis of total expenditure by activity

	Notes	Consolidated		University	
		Year ended 31 July 2022 £000	Year ended 31 July 2021 £000	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Academic and related expenditure		173,356	152,866	173,355	152,866
Academic Services		36,836	33,863	36,836	33,863
Administration and central services		73,213	64,962	73,213	64,962
Premises (including service concession cost)		33,299	29,493	33,665	30,072
Residences, catering and conferences		42,609	36,576	39,584	33,922
Research grants and contracts		56,164	45,695	56,164	45,695
Other expenses		42,548	65,359	30,892	54,591
		458,025	428,814	443,709	415,971
Movement in USS provision	22	98,638	(6,132)	98,453	(6,130)
		556,663	422,682	542,162	409,841

	Consolidated	
	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
<b>Other operating expenses include:</b>		
External auditor's remuneration in respect of audit services	234	160
External auditor's remuneration in respect of non-audit services	116	50
Internal auditor's remuneration in respect of internal audit services	119	151
Operating lease rentals		
– Land and buildings	710	825
– Other	229	289

### 11. Access and participation expenditure

	Consolidated		University	
	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Access investment	2,335	1,860	2,335	1,860
Financial support	6,686	7,347	6,686	7,347
Support for disabled students	583	636	583	636
Research and evaluation	353	185	353	185
<b>Total</b>	<b>9,957</b>	<b>10,028</b>	<b>9,957</b>	<b>10,028</b>

The amount spent on access and participation includes staff costs amounting to £2,094,000 (2020/21: £1,773,000).

In 2021/22, while still going through a period of adjustment after the impact of Covid-19, total expenditure exceeded the forecast which was set at £9,413,000 for this financial year.

The University of York's Access and Participation Plan 2020/21 to 2024/25 contains information about the nature of the University's investment in access provision and the support available to students. For details, see: [york.ac.uk/schools-and-colleges/plans-policies](http://york.ac.uk/schools-and-colleges/plans-policies)

### 12. Taxation

The University does not have a tax charge in 2021/22 or 2020/21.

### 13. Intangible assets

	Consolidated		University	
	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
At 1 August 2021	2,439	2,780	2,439	2,780
Amortisation	(341)	(341)	(341)	(341)
At 31 July 2022	2,098	2,439	2,098	2,439

In 2018/19 the University purchased 50% of Student Accommodation Three LLP from the external joint venture partner. The goodwill on acquisition is being amortised over 10 years.

### 14. Fixed assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Equipment £000	Assets in the course of construction £000	Total £000
<b>Consolidated</b>					
<b>Cost or valuation</b>					
At 1 August 2021	512,099	125,811	144,367	17,117	799,394
Additions	887	-	6,754	21,783	29,424
Disposals	-	-	(39)	-	(39)
Transfers	17,370	-	2,659	(20,029)	-
<b>At 31 July 2022</b>	<b>530,356</b>	<b>125,811</b>	<b>153,741</b>	<b>18,871</b>	<b>828,779</b>
<b>Depreciation</b>					
At 1 August 2021	140,762	24,764	102,631	-	268,157
Disposals	-	-	(39)	-	(39)
Charge for the year	18,508	3,683	8,876	-	31,067
<b>At 31 July 2022</b>	<b>159,270</b>	<b>28,447</b>	<b>111,468</b>	<b>-</b>	<b>299,185</b>
<b>Net book value</b>					
<b>At 31 July 2022</b>	<b>371,086</b>	<b>97,364</b>	<b>42,273</b>	<b>18,871</b>	<b>529,594</b>
At 31 July 2021	371,337	101,047	41,736	17,117	531,237

	Freehold land and buildings £000	Leasehold land and buildings £000	Equipment £000	Assets in the course of construction £000	Total £000
<b>University</b>					
<b>Cost or valuation</b>					
At 1 August 2021	429,305	126,476	116,768	14,945	687,494
Additions	887	-	6,107	15,520	22,514
Transfers	17,349	-	2,659	(20,008)	-
<b>At 31 July 2022</b>	<b>447,541</b>	<b>126,476</b>	<b>125,534</b>	<b>10,457</b>	<b>710,008</b>
<b>Depreciation</b>					
At 1 August 2021	129,733	25,418	89,654	-	244,805
Charge for the year	16,366	3,682	8,025	-	28,073
<b>At 31 July 2022</b>	<b>146,099</b>	<b>29,100</b>	<b>97,679</b>	<b>-</b>	<b>272,878</b>
<b>Net book value</b>					
<b>At 31 July 2022</b>	<b>301,442</b>	<b>97,376</b>	<b>27,855</b>	<b>10,457</b>	<b>437,130</b>
At 31 July 2021	299,572	101,058	27,114	14,945	442,689

## Notes to the accounts (continued)

### 15. Heritage assets

	Consolidated		University	
	Year ended 31 July 2022	Year ended 31 July 2021	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000	£000	£000
At 1 August 2021	3,857	1,278	3,857	1,278
Movement in fair values	-	2,579	-	2,579
<b>At 31 July 2022</b>	<b>3,857</b>	<b>3,857</b>	<b>3,857</b>	<b>3,857</b>

Heritage assets comprise works of art and library acquisitions which were revalued at 31 July 2021 on an open market basis using specialist external valuers.

### 16. Investments

	Subsidiary companies	Other fixed assets	Total
	£000	£000	£000
<b>Consolidated</b>			
At 1 August 2021	-	7,406	7,406
Movement in fair values	-	(595)	(595)
<b>At 31 July 2022</b>	<b>-</b>	<b>6,811</b>	<b>6,811</b>
<b>University</b>			
At 1 August 2021	43,847	7,404	51,251
Movement in fair values	2	(595)	(593)
<b>At 31 July 2022</b>	<b>43,849</b>	<b>6,809</b>	<b>50,658</b>

Other fixed asset investments are a portfolio of equities and similar investments held by the University. The funds support University endowments.

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

Company	Status	Principal activity
PCMIS Health Technologies Ltd	100% owned	Provision of software, training and conferences services to the health sector
The Biorenewables Development Centre Ltd	100% owned	Development of biorefinery technology and letting of accommodation
York Commercial Ltd	100% owned	Provision of vacation conference facilities and retail activities
York Health Economics Consortium Ltd	100% owned	Consultancy and research in the health sector
York Science Park Ltd	100% owned	Letting of accommodation
York Sports Village LLP	100% owned	Provision of sports facilities
York University Property Company Ltd	100% owned	Letting of accommodation and investment activities
York University Energy Company Ltd	100% owned	Supply of utilities
Student Accommodation Three LLP	100% owned	Letting of accommodation

During 2020/21 the University purchased the remaining share capital of York Science Park Ltd from the minority shareholder for £0.5m. Also in 2020/21 Stodham Investments Limited and York Development Company Limited were dissolved.

### 17. Investments in joint ventures

	31 July 2022	31 July 2021
	£000	£000
<b>Consolidated</b>		
<b>Share of net assets</b>		
At 1 August 2021	29,507	19,464
Distribution of profits from joint ventures	(1,600)	(1,332)
Share of operating profit	2,223	11,375
<b>At 31 July 2022</b>	<b>30,130</b>	<b>29,507</b>

	31 July 2022	31 July 2021
	£000	£000
<b>University</b>		
<b>Historic cost/valuation</b>		
At 1 August 2021	5,817	5,817
Movement	-	-
<b>At 31 July 2022</b>	<b>5,817</b>	<b>5,817</b>

The following undertakings are joint ventures at 31 July 2022:

Undertaking	Status	Principal activity
STEM Learning Ltd	25% owned	Operation of National Science Learning Centre
Student Accommodation Provision LLP	50% owned	Provision of student accommodation
Student Accommodation Provision Two LLP	50% owned	Provision of student accommodation
N8 Ltd	13% owned	Provision of education and research
Biovale Ltd	Limited by guarantee	Promotion and development of biorenewables
University of York International Pathway College LLP	55% owned	Provision of education

All undertakings are incorporated in the United Kingdom with shares or equivalent held by the University of York or a wholly owned subsidiary of the University.

The University of York International Pathway College LLP is not considered to be a subsidiary entity because of the voting and other rights assigned to each partner under the partnership agreement.

### 18. Debtors due after more than one year

	Notes	Consolidated		University	
		31 July 2022	31 July 2021	31 July 2022	31 July 2021
		£000	£000	£000	£000
University of York Pension Fund asset	22	18,039	-	18,039	-
Prepayments and accrued income		7,119	7,119	7,119	7,119
		<b>25,158</b>	<b>7,119</b>	<b>25,158</b>	<b>7,119</b>

### 19. Trade and other receivables

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
Research grant receivables	16,653	14,449	16,653	14,449
Other trade receivables	10,999	12,993	10,241	12,161
Amounts due from subsidiary companies	-	-	19,684	12,349
Prepayments and accrued income	35,189	24,079	33,066	22,033
	<b>62,841</b>	<b>51,521</b>	<b>79,644</b>	<b>60,992</b>

## Notes to the accounts (continued)

### 20. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
Unsecured loans	460	460	(15)	(15)
Trade payables	24,112	20,039	22,493	18,675
Social security and other taxation payable	6,100	5,793	6,666	5,990
Accruals and deferred income	113,265	107,783	107,816	104,190
Amounts due to subsidiary companies	-	-	759	286
	<b>143,937</b>	<b>134,075</b>	<b>137,719</b>	<b>129,126</b>

The negative value for unsecured loans represents the amortisation of costs incurred with the 2007 loan notes. Included within accruals and deferred income are the following items which have been deferred until specific performance-related conditions have been met.

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
<b>Deferred income</b>				
Research grants received on account	54,137	53,484	54,137	53,484
Specific grant income	16,292	16,707	16,292	16,707
	<b>70,429</b>	<b>70,191</b>	<b>70,429</b>	<b>70,191</b>

### 21. Creditors: amounts falling due after more than one year

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
Other long-term creditors	21,936	22,385	21,936	22,385
Loans	212,127	212,587	185,663	185,647
	<b>234,063</b>	<b>234,972</b>	<b>207,599</b>	<b>208,032</b>
Due within one year	460	460	(15)	(15)
Due between one and two years	460	460	(15)	(15)
Due between two and five years	2,007	1,778	(46)	(46)
Due in five years or more	209,660	210,349	185,724	185,708
Total due after more than one year	<b>212,127</b>	<b>212,587</b>	<b>185,663</b>	<b>185,647</b>
<b>Total loans</b>	<b>212,587</b>	<b>213,047</b>	<b>185,648</b>	<b>185,632</b>

The negative value for unsecured loans represents the amortisation of costs incurred with the 2007 loan notes. In 2019/20 the University entered into an agreement to procure new student accommodation. This has been done under a design, build and operate arrangement. As a result, the University has received £23m and is due to receive a further £6m on completion of the construction. The amount received (£23m) is being amortised over the life of the arrangement.

Details of the loans are set out below:

	Interest rate	Period	Expected	31 July 2022
		Years	end date	£000
<b>University</b>				
Loan notes – 2007	Fixed at 5.14% to 5.16%	40	February 2047	66,000
Loan notes – 2018	Fixed at 3.00%	30	January 2049	120,000
Capitalisation of costs of 2007 loan notes		40	February 2047	(352)
<b>University total</b>				<b>185,648</b>
Aviva SAP 3 loan	Fixed at 5.79%	36	September 2049	27,213
Capitalisation of costs of Aviva SAP 3 loan		36	September 2049	(274)
<b>Consolidated total</b>				<b>212,587</b>

### 22. Provisions for liabilities

	Notes	Universities	University	Total pensions
		Superannuation	of York	
		Scheme	Pension Fund	provisions
		£000	£000	£000
<b>Consolidated</b>				
At 1 August 2021		58,846	65,280	124,126
Deficit contributions and changes in expected contributions		98,638	-	98,638
Interest		524	864	1,388
Contributions or benefits payable		-	(3,865)	(3,865)
Current service cost		-	8,833	8,833
Past service (credit)		-	(10,752)	(10,752)
Other finance charges		-	457	457
Movement in defined benefit obligation		-	(69,856)	(69,856)
Payment of contributions		-	(9,000)	(9,000)
<b>Liability/(asset) as at 31 July 2022</b>		<b>158,008</b>	<b>(18,039)</b>	<b>139,969</b>
Reclassification to Debtors due after more than one year	18	-	18,039	18,039
<b>At 31 July 2022</b>		<b>158,008</b>	<b>-</b>	<b>158,008</b>

	Notes	Universities	University	Total pensions
		Superannuation	of York	
		Scheme	Pension Fund	provisions
		£000	£000	£000
<b>University</b>				
At 1 August 2021		58,780	65,280	124,060
Deficit contributions and changes in expected contributions		98,453	-	98,453
Interest		523	864	1,387
Contributions or benefits payable		-	(3,865)	(3,865)
Current service cost		-	8,833	8,833
Past service (credit)		-	(10,752)	(10,752)
Other finance charges		-	457	457
Movement in defined benefit obligation		-	(69,856)	(69,856)
Payment of contributions		-	(9,000)	(9,000)
<b>Liability/(asset) as at 31 July 2022</b>		<b>157,756</b>	<b>(18,039)</b>	<b>139,717</b>
Reclassification to Debtors due after more than one year	18	-	18,039	18,039
<b>At 31 July 2022</b>		<b>157,756</b>	<b>-</b>	<b>157,756</b>

Details of the pension schemes and their provisions can be found in Note 32.

#### Universities Superannuation Scheme

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual agreement with the pension scheme for total payments relating to benefits arising from past performance. Management have considered the future salary payments for future and current employees in assessing the fair value of the Universities Superannuation Scheme provision. The provision has been estimated using a sector-wide modeller provided by the British Universities Finance Directors Group which uses discount rates and staff costs to calculate the provision.

#### University of York Pension Fund

The University of York Pension Fund (UoYPF) is a defined benefit scheme, and the provision has been assessed by independent actuaries. Further details are set out in Note 32.

## Notes to the accounts (continued)

### 23. Endowment reserves

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2022 Total £000	2021 Total £000
<b>Consolidated and University</b>				
<b>Balances at 1 August 2021</b>				
Capital	6,271	1,015	7,286	6,456
Accumulated income	665	-	665	684
	6,936	1,015	7,951	7,140
New endowments	140	-	140	82
Investment income	112	18	130	123
Expenditure	(115)	(4)	(119)	(142)
(Decrease)/Increase in market value of investments	(508)	-	(508)	748
<b>Total endowment comprehensive income for the year</b>	(371)	14	(357)	811
<b>At 31 July 2022</b>	<b>6,565</b>	<b>1,029</b>	<b>7,594</b>	<b>7,951</b>
<b>Represented by</b>				
Capital	5,893	1,016	6,909	7,286
Accumulated income	672	13	685	665
	6,565	1,029	7,594	7,951

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	31 July 2022 £000	31 July 2021 £000
<b>Analysis by type of purpose</b>				
Scholarships and bursaries	5,083	-	5,083	5,364
Research support	189	-	189	208
Prize funds	1,100	-	1,100	1,160
General	193	1,029	1,222	1,219
	6,565	1,029	7,594	7,951

	31 July 2022 £000	31 July 2021 £000
<b>Analysis by asset</b>		
Non-current asset investments	6,743	7,338
Cash and cash equivalents	851	613
	7,594	7,951

### 24. Restricted reserves

	Restricted donations £000	Unspent capital grants £000	2022 Total £000	2021 Total £000
<b>Balances at 1 August 2021</b>				
New grants	-	3,037	3,037	-
New donations	1,989	-	1,989	3,114
Investment income	88	-	88	52
Expenditure	(1,695)	-	(1,695)	(1,840)
Capital grants utilised	-	(1,627)	(1,627)	(12,219)
<b>Total restricted comprehensive income for the year</b>	382	1,410	1,792	(10,893)
<b>At 31 July 2022</b>	<b>10,671</b>	<b>4,072</b>	<b>14,743</b>	<b>12,951</b>

	31 July 2022 £000	31 July 2021 £000
<b>Analysis of restricted donations by type of purpose</b>		
Lectureships	109	82
Scholarship and bursaries	6,189	6,015
Research support	3,528	3,596
Prize funds	165	151
General	680	445
	10,671	10,289

### 25. Cash and cash equivalents

	Consolidated	
	31 July 2022 £000	31 July 2021 £000
At 1 August 2021	191,566	164,525
Movement	2,040	27,041
<b>At 31 July 2022</b>	<b>193,606</b>	<b>191,566</b>

### 26. Reconciliation of net debt

	Consolidated	
	31 July 2022 £000	31 July 2021 £000
Net (debt) at 1 August 2021	(21,481)	(48,981)
Movement in cash and cash equivalents	2,040	27,041
Loans repaid	460	459
Change in net debt	2,500	27,500
<b>Net (debt) at 31 July 2022</b>	<b>(18,981)</b>	<b>(21,481)</b>

	Consolidated	
	31 July 2022 £000	31 July 2021 £000
<b>Analysis of net debt</b>		
Cash and cash equivalents	193,606	191,566
Creditors: amounts falling due within one year	(460)	(460)
Creditors: amounts falling due after more than one year	(212,127)	(212,587)
<b>Net (debt) at 31 July 2022</b>	<b>(18,981)</b>	<b>(21,481)</b>



## Notes to the accounts (continued)

### 27. Financial instruments

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
<b>Financial assets</b>				
Other Investments at fair value	6,811	7,406	6,809	7,404
Joint venture investments at fair value	30,130	29,507	-	-
Investments at cost	-	-	5,817	5,817
Trade and other receivables at cost	27,652	27,442	26,894	26,610
Cash and cash equivalents at cost	193,606	191,566	173,577	176,384
	<b>258,199</b>	<b>255,921</b>	<b>213,097</b>	<b>216,215</b>
<b>Financial liabilities</b>				
Trade payables at cost	(24,112)	(20,039)	(22,493)	(18,675)
Loans at cost	(212,587)	(213,047)	(185,648)	(185,632)
	<b>(236,699)</b>	<b>(233,086)</b>	<b>(208,141)</b>	<b>(204,307)</b>

### 28. Capital and other commitments

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
Provision has not been made for the following capital commitments:				
Commitments contracted for	8,964	21,870	5,583	13,140
Authorised but not contracted for	39,860	19,425	38,310	19,280
	<b>48,824</b>	<b>41,295</b>	<b>43,893</b>	<b>32,420</b>

### 29. Contingent assets and liabilities

There were no contingent liabilities as at 31 July 2022.

The University has given written undertakings to support the subsidiary companies for 12 months from the date of approval of these financial statements.

### 30. Lease obligations

	Land and buildings	Plant and machinery	2022 Total	2021 Total
	£000	£000	£000	£000
<b>Total rentals payable under operating leases</b>				
Payable during the year	731	268	999	1,135
<b>Future minimum lease payments due</b>				
Not later than one year	731	268	999	1,135
Later than one year and not later than five years	2,750	331	3,081	3,104
Later than five years	67,136	-	67,136	67,557
<b>Total lease payments due</b>	<b>70,617</b>	<b>599</b>	<b>71,216</b>	<b>71,796</b>

The minimum lease payments due on one of the University's leases are uncertain and depend upon levels of student recruitment in 10 to 15 years' time.

### 31. Events after the reporting period

There are no adjusting events after the reporting period.

### 32. Pension schemes

The University operates two defined benefit pension schemes, the University of York Pension Fund (UoYPPF) and the Universities Superannuation Scheme (USS). In addition, the University operates a defined contribution scheme (The People's Pension) and contributes to the NHS pension scheme for some members of the Hull York Medical School.

	Consolidated		University	
	31 July 2022	31 July 2021	31 July 2022	31 July 2021
	£000	£000	£000	£000
<b>Total pension cost for the University and its subsidiaries</b>				
Universities Superannuation Scheme contributions	30,349	28,332	28,276	28,276
University of York Pension Fund current service cost	8,833	9,924	8,833	9,924
University of York Pension Fund past service cost	(10,752)	-	(10,752)	-
NHS Pension Scheme contributions	156	134	156	134
The People's Pension contributions	1,608	559	1,350	412
	<b>30,194</b>	<b>38,949</b>	<b>27,863</b>	<b>38,746</b>
Universities Superannuation Scheme deficit contributions and changes in expected contributions	98,638	(6,132)	98,453	(6,130)
	<b>128,832</b>	<b>32,817</b>	<b>126,316</b>	<b>32,616</b>

### Universities Superannuation Scheme

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the USS Statement of Funding Principles.

<b>CPI assumption</b>	Term-dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% per annum to 2030, reducing linearly by 0.1% per annum to a long-term difference of 0.1% per annum from 2040
<b>Pension increases (subject to a floor of 0%)</b>	CPI assumption plus 0.05%

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

The mortality assumptions used in these figures are as follows:

<b>Mortality base table</b>	101% of S2PMA "light" for males and 95% of S3PFA for females
<b>Future improvements to mortality</b>	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% per annum and a long-term improvement rate of 1.8% per annum for males and 1.6% per annum for females

## Notes to the accounts (continued)

	Year ended 31 July 2022	Year ended 31 July 2021
<b>Current life expectancy on retirement at age 65</b>		
Males currently aged 65	23.9 years	24.6 years
Females currently aged 65	25.5 years	26.1 years
Males currently aged 45	25.9 years	26.6 years
Females currently aged 45	27.3 years	27.9 years

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

	Year ended 31 July 2022	Year ended 31 July 2021
Discount rate	3.33%	0.89%
Pensionable salary growth	2.80%	2.46%

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. Sensitivity analysis is provided below, based on possible changes of the assumptions occurring at 31 July 2022.

The sensitivities have been derived in the same manner as the defined benefit obligation as at 31 July 2022. The sensitivities are calculated by changing each assumption with all other things held constant.

- A decrease in discount rate by 0.5% per annum from 3.33% to 2.83% leads to an increase in the provision of £6.5m at 31 July 2022.
- An increase in the combined growth in future payroll costs for inflation, pay rises or additional staff by 0.5% per annum leads to an increase in the provision of £0.7m at 31 July 2022.

It is acknowledged that presuming all other assumptions remain constant has inherent limitations, given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

### University of York Pension Fund

The University operates the University of York Pension Fund. The scheme is a defined benefit scheme and the assets of the scheme are held in a separate trustee-administered fund.

The scheme's last triennial valuation was at 31 July 2020 and was finalised in October 2021. A recovery plan was implemented to address the deficit arising on the valuation; it included a £9m payment to strengthen the pension fund.

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
<b>Analysis of the amount shown in the balance sheet</b>		
Scheme assets	222,261	213,887
Scheme liabilities	(204,222)	(279,167)
<b>Surplus/(deficit) in the scheme – net pension asset/(liability)</b>	<b>18,039</b>	<b>(65,280)</b>
<b>Analysis of the amount shown in the statement of comprehensive income</b>		
Current service cost	8,833	9,749
Past service (credit)/ cost	(10,752)	175
Administration expenses	457	443
<b>Total operating charge</b>	<b>(1,462)</b>	<b>10,367</b>
<b>Analysis of the amount charged to interest payable/credited to other finance income</b>		
Interest cost	4,159	3,461
Interest income	(3,295)	(2,265)
<b>Net charge to other finance income</b>	<b>864</b>	<b>1,196</b>
<b>Total income and expenditure charge</b>	<b>(598)</b>	<b>11,563</b>
<b>Analysis of other comprehensive income/(expenditure)</b>		
Actual return of assets less interest	(1,101)	38,399
Actuarial (losses)/gains on defined benefit obligation	70,957	(7,265)
<b>Total other comprehensive income/(expenditure)</b>	<b>69,856</b>	<b>31,134</b>

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
<b>Cumulative actuarial loss recognised as other comprehensive income</b>		
Cumulative actuarial (losses) recognised at the start of the year	(35,510)	(66,644)
Cumulative actuarial gains/(losses) recognised at the end of the year	34,346	(35,510)
<b>Analysis of movement in (deficit)</b>		
(Deficit) at beginning of year	(65,280)	(88,913)
Contributions or benefits paid by the University	3,865	4,062
Additional payment from the University in line with Schedule of Contributions	9,000	-
Current service cost	(8,833)	(9,749)
Past service credit/(cost)	10,752	(175)
Other finance charge	(457)	(443)
Net interest (cost)	(864)	(1,196)
Gain recognised in other comprehensive income	69,856	31,134
Reclassification to Debtors due after more than one year	(18,039)	-
<b>(Deficit) at end of year</b>	<b>-</b>	<b>(65,280)</b>
<b>Analysis of movement in the present value of liabilities</b>		
Present value of liabilities at the start of the year	(279,167)	(264,155)
Current service cost (net of member contributions)	(8,833)	(9,749)
Past service credit/(cost)	10,752	(175)
Interest cost	(4,159)	(3,461)
Actual member contributions (including notional contributions)	(233)	(229)
Actuarial (loss)/gain	70,957	(7,265)
Insurance premiums for risk benefits	101	100
Actual benefit payments	6,360	5,767
<b>Present value of liabilities at the end of the year</b>	<b>(204,222)</b>	<b>(279,167)</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
Fair value of assets at the start of the year	213,887	175,242
Interest income	3,295	2,265
Actual (loss)/gain on assets	(1,101)	38,399
Actual contributions paid by the University	3,865	4,062
Payment by the University	9,000	-
Actual member contributions (including notional contributions)	233	229
Administration expenses	(457)	(443)
Insurance premiums for risk benefits	(101)	(100)
Actual benefit payments	(6,360)	(5,767)
<b>Fair value of scheme assets at the end of the year</b>	<b>222,261</b>	<b>213,887</b>
<b>Fair values of the assets of the fund</b>		
Equities	152,471	153,795
Bonds	17,324	19,685
Infrastructure	13,159	7,345
Property and ground rents	32,914	29,914
Cash	6,393	3,148
<b>Total</b>	<b>222,261</b>	<b>213,887</b>
<b>Return on assets</b>		
Interest income	3,295	2,265
Return on assets less interest income	(1,101)	38,399
<b>Total</b>	<b>2,194</b>	<b>40,664</b>

## Notes to the accounts (continued)

	Year ended 31 July 2022	Year ended 31 July 2021
<b>History of experience gains and losses</b>		
<b>Difference between actual and expected return on scheme assets</b>		
Amount (£000)	(1,101)	38,399
% of assets at end of year	(0.5%)	18.0%
<b>Experience (losses)/gains on scheme liabilities</b>	<b>(6,748)</b>	<b>7,216</b>

	Year ended 31 July 2022	Year ended 31 July 2021
<b>Significant actuarial assumptions</b>		
Discount rate	3.40%	1.50%
Rate of salary increases	3.70%	3.70%
Rate of price inflation (CPI)	2.80%	2.80%
Rate of pension increases:		
Post 88 GMP	2.35%	2.80%
Non-GMP Final	2.80%	2.80%
CRB Section pension	2.80%	n/a
Post-retirement mortality assumption	S3NMA/S3NFA base table with a +1 year age rating, CMI 2021 projection model with a long-term improvement rate of 1.25% p.a.	S3NMA/S3NFA base table with a +1 year age rating, CMI 2020 projection model with a long-term improvement rate of 1.25% p.a.
<b>Assumed life expectancy on retirement at age 65</b>		
Male aged 65	21.3 years	21.3 years
At age 65 a male aged 45	22.6 years	22.6 years
Female aged 65	23.8 years	23.7 years
At age 65 a female aged 45	25.1 years	25.1 years

The University has updated its approach in allowing for inflation experience at 31 July 2022 to allow for exceptionally high inflation since September 2021. The defined benefit obligation (DBO) at 31 July 2022 includes allowance for emerging inflation experience up to July 2022, which has increased the DBO at 31 July 2022 by £6.7m.

During the period, the University has recognised a curtailment gain of £10.75m following the closure of the final salary section of the Fund effective 31 March 2022.

No adjustment has been made for the impact of Covid-19 on mortality assumptions as it is too early to conclude on any evidence to support the impact.

The following sensitivity analysis has been calculated for changes to the assumptions underlying the pension provision:

- If the discount rate assumption is decreased by 0.5% per annum then the pension surplus at 31 July 2022 decreases by £17.5m.
- The Fund's past service benefits are no longer linked to salary increases. Any change in salary increase assumption would have no impact on the net pension asset as at 31 July 2022.

It is acknowledged that presuming all other assumptions remain constant has inherent limitations, given that it is more likely to be a combination of changes, but highlights the value of each individual risk and is therefore a suitable basis for providing this analysis.

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS 102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS 102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

### NHS Pensions

The University of York participates in the NHS Pension Scheme (NHSPS) which was contracted out of the State Second Pension (S2P) until 6 April 2016. The notional assets of the NHSPS are assessed by the Government Actuary and the benefits are underwritten by the government. There are no underlying assets. It is not possible to identify each institution's share of the notional assets and liabilities of the NHSPS and hence contributions to the NHSPS are accounted for as if it were a defined contribution scheme. The cost recognised within the income and expenditure account is therefore equal to the contributions payable to the NHSPS for the year. The contributions payable by the University during the year ended 31 July 2022 were at a rate of 14.5% of the total pensionable salaries, in accordance with the recommendations of the Government Actuary.

### The People's Pension

The University of York has a defined contribution scheme as its main auto-enrolment pension scheme for its staff. The investment of scheme contributions is managed by The People's Pension. The contributions payable by the University during the year ended 31 July 2022 were at a rate of 6% of pensionable salary.

### 33. Trading with joint ventures and subsidiaries

The University has taken advantage of the exemption with FRS 102 and has not disclosed transactions with other group entities where the University holds 100% of the voting rights. The following organisations are either joint ventures or subsidiaries in which the University does not have 100% of the voting rights:

#### University of York International Pathway College LLP

The University of York International Pathway College LLP is a joint venture between the University of York and Kaplan Financial Ltd which offers undergraduate and postgraduate courses to international students.

#### Student Accommodation Provision LLP and Student Accommodation Provision Two LLP

Student Accommodation Provision LLP and Student Accommodation Provision Two LLP are joint ventures of the University and are responsible for providing accommodation to students in Goodricke and Langwith Colleges.

#### STEM Learning Ltd

STEM Learning Ltd operates the National Science Learning Centre as a joint venture between the University of York, University of Leeds, University of Sheffield and Sheffield Hallam University.

#### N8 Ltd

The N8 research partnership is a collaboration between the Universities of Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York. The University of York has a 12.5% share of the company.

The transactions during the year between the University and these organisations were:

	Income to the University	Expenditure incurred by the University	Balance due to the University	Balance due from the University
	£000	£000	£000	£000
University of York International Pathway College LLP	2,599	-	-	856
Student Accommodation Provision LLP	484	3,999	17	0
Student Accommodation Provision Two LLP	709	4,874	8	0
STEM Learning Ltd	399	59	14	1
N8 Ltd	-	60	-	0

### 34. Related parties

Due to the nature of the University's operations, it is inevitable that transactions will take place with organisations in which a member of the Council or University Executive Board may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

#### Graduate Students' Association

The Graduate Students' Association represents and supports postgraduate students. The association has close links to the University, and the University contributes significant sums towards the Graduate Students' Association's running costs. One member of Council is the Graduate Students' Association President.

#### Institute for Small Business and Entrepreneurship

The Institute for Small Business and Entrepreneurship is a network for people and organisations involved in small business and entrepreneurship research, policy, education, support and advice. One member of the University Executive Board and Council was a director of the Institute for Small Business and Entrepreneurship until 31 December 2021.

#### Institute of Physics; Institute of Physics Publishing

The Institute of Physics is the professional body and learned society for physics in the UK. Its subsidiary, Institute of Physics Publishing, produces a wide range of journals, websites and magazines for the scientific community. One member of the University Executive Board is a trustee of the Institute of Physics. One member of the University Executive Board and one member of Council are non-executive directors of Institute of Physics Publishing.

#### Maastricht University

Maastricht University is a public research university located in Maastricht, Netherlands. The University of York and Maastricht University are in a partnership. One member of the University Executive Board and Council is a director of this partnership. One member of the University Executive Board and Council is a Board member of the partnership. One member of Council is a Board member of the partnership.

#### Make It York

Make It York is the destination marketing organisation of the City of York. The University works with Make It York to develop shared marketing and communications in relation to economic development, city stakeholder engagement and other profile-raising activities. One member of the University Executive Board is a director of Make It York.

## Notes to the accounts (continued)

### North Eastern Universities Purchasing Consortium

North Eastern Universities Purchasing Consortium is a UK Higher Education purchasing consortium that has been established to deliver and manage a wide range of collaborative framework agreements, designed to maximise third-party expenditure within the higher education sector. One member of the University Executive Board and Council is a director of the North Eastern Universities Purchasing Consortium.

### Ofcom

The Office of Communications (Ofcom) is the UK's communications regulator. One member of Council is the group director at Ofcom.

### PwC UK

PwC provides audit, assurance, taxation, advisory, corporate finance and legal services to its clients. The University Council has appointed PwC as the internal auditor to the University. One member of the Council is an independent non-executive director of PwC UK.

### Russell Group

The Russell Group is an association of 24 public research universities in the UK with a shared focus on research and a reputation for academic achievement. One member of the University Executive Board and Council is a director of the Russell Group.

### University of York in America

The University of York in America is a non-profit organisation. With the help of alumni and friends, it supports the increase of educational opportunity and quality of education and research at the University of York and other institutions. One member of the University Executive board and Council is the President of the University of York in America.

### York University Students' Union

York University Students' Union represents and supports undergraduate students. York University Students' Union has close links to the University, and the University contributes significant sums towards York University Students' Union's running costs. One member of Council is the York University Students' Union President.

### Worldwide Universities Network

This is a higher education and research network that provides support to establish collaborative research. The University of York is one of 23 members. One member of the University Executive Board and Council is a director of the Worldwide Universities Network.

### Yorkshire Universities

Yorkshire Universities is the regional voice for higher education in Yorkshire and works to maximise the contribution of higher education to the region and beyond. One member of the University Executive Board and Council is a director of Yorkshire Universities.

The transactions between the University and the above organisations are summarised below:

	Income	Expenditure	Balance due to the University	Balance due from the University
	£000	£000	£000	£000
Graduate Students' Association	12	19	-	-
Institute for Small Business and Entrepreneurship	-	11	-	-
Institute of Physics; Institute of Physics Publishing	23	75	-	-
Maastricht University	3	45	-	-
Make It York	-	6	-	-
North Eastern Universities Purchasing Consortium	-	10	-	-
Ofcom	-	1	-	-
PwC UK	-	138	-	-
Russell Group	-	170	-	87
University of York in America	223	9	-	-
University of York Students' Union	200	2,071	82	75
Worldwide Universities Network	-	51	-	-
Yorkshire Universities	-	21	-	-

The total expenses paid to five (2021: nil) Council members was £2,269 (2021: £nil). This represents travel and subsistence expenses incurred in attending Council and meetings in their official capacity.

No fees or other forms of remuneration are paid to independent members of Council.

## 35. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University of York is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
<b>Primary Reserve ratio</b>		
<b>Expendable net assets</b>		
Net assets without donor restrictions [Balance sheet total (£318,670) less Net assets with donor restrictions (below)]	<b>297,362</b>	312,129
Net assets with donor restrictions [Financial Statements Note 23 line 9 (£6,565) plus Financial Statements Note 24 line 8 (£14,743)]	<b>21,308</b>	19,887
Perpetual funds with donor restrictions [Financial Statements Note 23 line 9 (£6,565)]	<b>(6,565)</b>	(6,936)
Property, plant and equipment – pre-implementation [Financial Statements Note 14 line 11 Freehold land and buildings (£371,337) plus Leasehold land and buildings (£101,047) plus Equipment (£41,736)]	<b>(514,120)</b>	(508,173)
Property, plant and equipment – post-implementation [Financial Statements Note 14 line 10, Freehold land and buildings (£371,086) plus Leasehold land and buildings (£97,364) plus Equipment (£42,273) minus Property, Plant and Equipment – pre-implementation (above)]	<b>3,397</b>	(5,947)
Construction in progress [Financial Statements Note 14 line 10 (£18,871)]	<b>(18,871)</b>	(17,117)
Goodwill, intangible assets [Balance sheet line 1 (£2,098)]	<b>(2,098)</b>	(2,439)
Post-employment and pension liabilities [Balance sheet line 15 Pension provisions (£158,008) less Financial Statements Note 18 line 1, Pension asset (£18,039)]	<b>139,969</b>	124,126
Note payable and Line of Credit for long-term purposes (both current and long-term) and Line of Credit for Construction in Progress pre-implementation. Financial Statements Note 20 line 1 (£460) plus Financial Statements Note 21 line 2 (£212,127)]	<b>212,587</b>	213,047
Note payable and Line of Credit for long-term purposes (both current and long-term) and Line of Credit for Construction in Progress post-implementation [Financial Statements Note 21 line 1 (£21,936)]	<b>21,936</b>	22,385
<b>Total expendable net assets</b>	<b>154,905</b>	<b>150,962</b>

## Notes to the accounts (continued)

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
<b>Total expenses and losses</b>		
Total operating expenses without donor restrictions [Financial Statements Note 10 line 10 (£556,663) less Financial Statements Note 9 line 5 (£9,976) less Financial Statements Note 23 line 6 (£115) less Financial Statements Note 24 line 5 (£1,695) less Financial Statements Note 24 line 6 (£1,627)]	<b>543,250</b>	398,223
Non-operating investment return appropriated for spending, Investments, net of annual spending gain, Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) [SOCi* line 5 (£828) plus SOCi* line 18 (-£588) plus SOCi* line 19 (-£341) plus SOCi* line 20 (£2,223) plus SOCi* line 24 (£69,856) less Financial Statements Note 23 line 5 (£112) less Financial Statements Note 24 line 4 (£88) less Financial Statements Note 23 line 7 (-£508) less Financial Statements Note 9 line 5 (£9,976)]	<b>62,310</b>	34,891
Investment return appropriated for spending and Investments, net of annual spending, gain/(loss) [SOCi* line 5 (£828) plus SOCi* line 18 (-£588) less Financial Statements Note 23 line 5 (£112) less Financial Statements Note 23 line 7 (-£508) less Financial Statements Note 24 line 4 (£88)]	<b>(548)</b>	(3,499)
Pension-related changes other than periodic pension [SOCi* line 24 (£69,856)]	<b>(69,856)</b>	(31,134)
<b>Total expenses and losses</b>	<b>535,156</b>	<b>398,481</b>

\*SOCi – Statement of comprehensive income

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
<b>Equity ratio</b>		
<b>Modified net assets</b>		
Net assets without donor restrictions [SOFp* line 21 (£296,333) plus Financial Statement Note 23 line 9 Unrestricted permanent endowments (£1,029)]	<b>297,362</b>	312,129
Net assets with donor restrictions [Financial Statements Note 23 line 9 (£6,565), plus Financial Statements Note 24 line 8 (£14,743)]	<b>21,308</b>	19,887
Goodwill, intangible assets [SOFp* line 1 (£2,098)]	<b>(2,098)</b>	(2,439)
<b>Total modified net assets</b>	<b>316,572</b>	<b>329,577</b>
<b>Modified assets</b>		
Total assets [SOFp* line 7 £597,648 plus SOFP* line 11 £246,517 less Financial Statements Note 18 line 1 £18,039]	<b>836,639</b>	825,189
Goodwill, intangible assets [SOFp* line 1 (£2,098)]	<b>(2,098)</b>	(2,439)
<b>Total modified assets</b>	<b>834,541</b>	<b>822,750</b>

\*SOFp = Statement of Financial Position, Balance Sheet

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
<b>Net income ratio</b>		
Change in Net assets without donor restrictions [SOCi* line 33 (-£13,346), less total of: (Note 23 of Financial statements line 5 (£112), plus Note 24 of Financial statements line 4 (£88), plus Note 23 of Financial statements line 7 (-£508), plus Note 23 of Financial statements line 4 (£140), plus Note 24 of Financial statements line 3 (£1,989), plus Note 24 of Financial Statements line 2 (£3,037)), plus Note 24 of Financial statements line 5 (£1,695), line 6 (£1,627) and Note 23 of Financial statements line 6 (£115)]	<b>(14,767)</b>	46,416
Total operating revenues [SOCi* line 7 (£472,167), less line 5 (£828), less Note 23 of Financial statements line 4 (£140), less Note 24 line 2 (£3,037) and line 3 (£1,989)]	<b>466,173</b>	409,748

\*SOCi – Statement of comprehensive income



Music students performed at the Merchant Taylors' Hall, York

## WITH THANKS

Thank you to the entire community of students, staff, alumni, donors and volunteers who contributed to the University of York in 2021/22.

**Front cover image:** Church Lane Building  
**Photography:** Alex Holland, John Houlihan

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