

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023



INTRODUCTION

We continue to make progress in realising our University Strategy, **Vision for York**. In this Annual Report we reflect on what we achieved in 2023 during a difficult period for higher education institutions.

The University – and the sector as a whole – has faced levels of **inflation** not seen in decades, uncertainty in global markets, and an unsustainable HE funding model, all of which have added pressure to our financial planning.

Despite the **external environment**, we remain a **strong institution**. We have grown from a position of strength, with our research quality and performance, teaching excellence, and student experience.

As we continue to grow and innovate, our **commitment to public good** remains our motivation and inspiration for everything we do.

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STRATEGY AND REVIEW

STRATEGIC REVIEW

Our University Strategy, **Vision for York**, focuses on four key aims that inspire every area of university life.

The key performance indicators on pages 6 and 7 outline significant achievements in 2023, demonstrating the progress made in relation to these strategic aims.

To learn more about our strategy, visit york.ac.uk/strategy.

AIM: CURIOSITY-DRIVEN/ ACTION-ORIENTED RESEARCH

10th

for research quality
in the *Times Higher Education*
ranking of the latest
Research Excellence
Framework results
(2021)

1,047

research and
related
applications
were written
and supported

£97m

was raised in
research grants
our largest
ever total

27th

Sustainable cities
and communities
Times Higher Education Impact
Rankings 2023



Strong growth research areas

- creative technologies
- safety of autonomous systems
- the need for sustainable materials, fuel, food and land use practices
- support for those affected by poverty
- mental health and wellbeing

AIM: EDUCATION THAT EMPOWERS



awarded **TEF Gold**

in Teaching Excellence
Framework (TEF) 2023

15th

The Times and The Sunday Times
Good University
Guide 2024

10

subjects in the
top three
in the
Russell Group
National Student
Survey 2023



64

CITY College

students graduated from
our Europe Campus in Greece

Programmes lead to
University of York degrees

**AIM: LOCAL COMMITMENT
ON A GLOBAL SCALE**

26th

**in the world for
sustainability**
QS Sustainability
Rankings 2024

197

companies engaged
with University
business growth
services

2

**joint innovation
university hubs
launched**
at City College and
partner institution
Makerere University
in Uganda

6th

**in the UK for
gender equality**
*Times Higher
Education Impact
Rankings 2022*

204

**companies’
development
supported**
via Barclays Eagle
Lab accelerator

114

**entrepreneurs
supported**
through a
community-led,
skills development
programme

2

**community
learning centres**
The Place
in Westfield, York
and IntoUniversity
centre, East Hull

8

**inclusive
impact awards**
The EDI Exchange



University Sustainability Clinic

shortlisted for a
Green Gown award for
Student Engagement

300 students participated

51 partner organisations



**3 gold
4 silver
14 bronze**

Athena Swan
awards recognising
our commitment to
gender equality in
higher education

DEVELOPMENT AND PERFORMANCE

Progress towards the four aims of our University Strategy is demonstrated by the examples presented on these pages, which are selected from many **remarkable successes** described in the University of York Annual Review 2023.

CURIOSITY-DRIVEN AND ACTION-ORIENTED RESEARCH

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.

- The Centre for Blood Research at York was launched. The centre will combine strengths in discovery-based science and epidemiology with clinical practice, to deliver real impact on haematological malignancies.
- Sticking plasters and systemic solutions, a new report from the Cost of Living research group, was published. The study underlines our commitment to using research to improve lives across the UK.
- Dr Richard Henderson, a Nobel Prize winner, officially opened the University of York's Eleanor and Guy Dodson Building. The state-of-the-art building enables world-leading research into the molecular structure of biomolecules.
- The Secretary of State for Science, Innovation and Technology visited the Institute for Safe Autonomy to see the latest technological advancements in the development of AI and robotics.
- The Sparks initiative will aim to discover our next great research innovations. Three projects have so far been established.
- We joined a partnership with sustainability investor Greensphere Capital to launch a £150m fund. The financing will be used to commercialise solutions to the dual crises of climate change and biodiversity loss.
- Hull York Medical School launched a Skin Research Centre on campus. Research is aimed at improving skin health globally, leading to improvements in the diagnosis, treatment and care for patients.



Outstanding teaching across all three faculties was rewarded with TEF Gold



Staff and student volunteers took part in the Big Community Challenge, which helped to transform York's wetlands and riverbanks

EDUCATION THAT EMPOWERS

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.

- The Inclusive Learning team won a national Collaborative Award for Teaching Excellence (CATE) from Advance HE.
- 80 students registered for the new York Interdisciplinary Modules for the academic year 2023/24.
- A new Department of Architecture and the Built Environment is being developed and will open in 2025.
- Designs for the new Student Centre were submitted for planning permission and work started on existing buildings.
- The David Kato College was officially opened, with tributes paid to the human rights defender and gay rights activist.
- Winners of the Love York Awards included the Black Access Student Team, picking up the Liberation and Leadership Award.
- Our range of free Massive Open Online Courses (MOOCs) has once again expanded, with more than 30 now available.
- The University's Sustainability Clinic, shortlisted for a Green Gown award for Student Engagement, will be credit bearing from 2023/24.

LOCAL COMMITMENT 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.

- The Enterprise Works business hub worked with 126 companies to offer business services and referred 114 for other University support, including professional development.
- Two new learning centres were created in Hull and York to support children and adults.
- Researchers from Kharkiv and York will be tackling the many pollution problems faced by Ukraine as it battles with war.
- An agreement with O.P. Jindal Global University in India will include PhD projects, academic research partnerships, and student exchanges.
- The Centre for Health Economics has forged partnerships aimed at improving health in Central America and southern and eastern Africa.
- More fully-funded scholarships will now be available to students from the Middle East.
- Two joint innovation hubs were launched with CITY College, Greece, and Makerere University, Ghana.

COMMUNITY WITHOUT LIMITS

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.

- We were shortlisted for University of the Year in the Times Higher Education Awards for our work on the cost of living crisis.
- We were nominated for Knowledge Exchange/Transfer Initiative of the Year for Northern Accelerator.
- Almost 40,000 people attended 241 Festival of Ideas in-person and online events, with 233,000 website views across 151 countries. At York Theatre Royal, Michael Morpurgo retold an abridged version of his bestselling novel War Horse.
- Our series of open lectures, YorkTalks, included feeding the world with crop waste and bugs, single-session phobia treatments for children, and limitless clean energy production.
- There were 21 volunteering projects, 1,223 volunteers, and 8,970 hours volunteered by students. Projects included the protection of hedgehogs on campus and donating blankets for palliative care across York and the UK.

PRINCIPAL RISKS AND UNCERTAINTIES

The University is committed to **achieving its aims** as defined in the University Strategy and associated documents. In doing so, the University realises that we will face a variety of risks.

Risk management supports the University in achieving its aims and objectives while protecting its ongoing sustainability. Risk management seeks to identify, measure, control and report on any business risk that will undermine the achievement of the University's business priorities. By taking a measured approach to risk taking,

the University ensures that decision-making and planning are informed across its units and subsidiaries.

The table on page 13 sets out the major risks faced by the University and key mitigating actions. Each risk is significant and not prioritised above another.

Corporate risk	Main mitigations
<p>IT Security Compromise of University systems which may result in the loss of services and loss or exposure of data</p>	<ul style="list-style-type: none"> • Comprehensive IT security plan • Training for all staff at induction • Multi-factor authentication • Managed device services • Immutable backup of storage • Testing resilience to attack
<p>International Student Recruitment Failure to increase or maintain and diversify international student recruitment</p>	<ul style="list-style-type: none"> • Dedicated International Strategy • Increased engagement in new and emerging markets • Diversification of programmes to match market demands • Further international collaborations and partnerships
<p>Research and Knowledge Exchange Failure to maintain our global research and knowledge exchange standing and reputation in a highly dynamic funding and geopolitical environment</p>	<ul style="list-style-type: none"> • Building Industry Engagement and Income transformational initiative • Leverage from enhanced REF position • Improved cost recovery system • Further diversification of income streams • Engaging with influential bodies • Appetite to pursue large and impactful research
<p>Health and Safety Failure to efficiently and effectively manage the risk of harm to people, property and reputation</p>	<ul style="list-style-type: none"> • Specific expertise and location-based safety advisors • Comprehensive awareness training package for staff • Audit programme • Risk assessment application and follow-up
<p>Funding the University Strategy Risk that operating surplus is insufficient to fund the University strategy and capital programme</p>	<ul style="list-style-type: none"> • Use of integrated planning and forecasting to achieve a financially sustainable plan accounting for the University Strategy • Compliance metrics included in process • Transformational initiatives including income diversification introduced • Detailed cost containment measures in place
<p>Student Mental Health and Wellbeing Failure to provide appropriate mental health and wellbeing provision may negatively impact our students and their university experience</p>	<ul style="list-style-type: none"> • Wellbeing strategy • Wellbeing and resilience workshops • Resilience hub • New student app for integrated support network • Significant cost-of-living support
<p>Industrial Action Potential failure to provide a high quality student experience and manageable staff workloads during periods of industrial action</p>	<ul style="list-style-type: none"> • Academic Contingency Group to maintain service to students • Workload management work group to reduce burdens on staff • Participation in consultation and negotiations on pay, pensions and conditions
<p>Workforce Planning Failure to attract and maintain a high calibre, diverse and flexible workforce for the future</p>	<ul style="list-style-type: none"> • Professional Services Delivery workforce planning strategy • Ongoing Recruitment and Retention project • Flexible working arrangement policies for all staff • Suite of learning and development training available to all staff
<p>Estates Plan The risk that the digital and physical infrastructure is not fit for purpose</p>	<ul style="list-style-type: none"> • Integrated Physical and Digital Infrastructure Plan in implementation • Smart Campus Working Group to continue digital evolution • Strategic partnerships for capital builds • Active response to student feedback on space management
<p>Sustainability Failure to deliver commitments identified within the University Sustainability Plan</p>	<ul style="list-style-type: none"> • Dedicated Environmental Sustainability unit contributing and disseminating knowledge and research • Appointed theme leaders for prioritised UN Sustainable Goals • Roles on delivery to monitor and progress work

FINANCIAL REVIEW

The University has experienced a **challenging year**, returning an operating deficit of £14m (2022: surplus £15m), before pension and fair value adjustments. Growth in research and other income has been tempered by increases in other operating expenses and inflationary pressures.

GROUP PERFORMANCE

The University, excluding Group subsidiaries, reported a deficit for the year of £24m (2022: surplus of £14m) after excluding the USS provision movement. The deficit has primarily arisen following flat tuition fee income for the year, combined with the impact of high inflation on both staff costs and other operating expenses. Although growth in income was achieved through increased research activity and other income, this resulted in associated increases in staff costs and other operating expenses.

The University subsidiaries delivered Group income, after excluding intercompany transactions, of £23m for the year (2022: £18m). The subsidiary companies cover a diverse range of activities, as outlined in Notes 16 and 17 to the financial

statements. Growth has been achieved through increased footfall and usage of University conference, sports and retail facilities as recovery from the Covid pandemic continued, alongside increased income from utility supplies, driven by increased utility prices.

As experienced by the University, the subsidiaries also saw increased costs arising from both increased activity and inflationary increases, resulting in a reduction of profits to £5m (2022: £6m), prior to the netting off of intercompany adjustments on consolidation.

Joint venture share of profits in the year increased by £4m as a result of property revaluations for the investment properties contained within the student accommodation LLPs.

£519m

total income for 2022/23

£171m

current asset investments
and cash balance at
31 July 2023

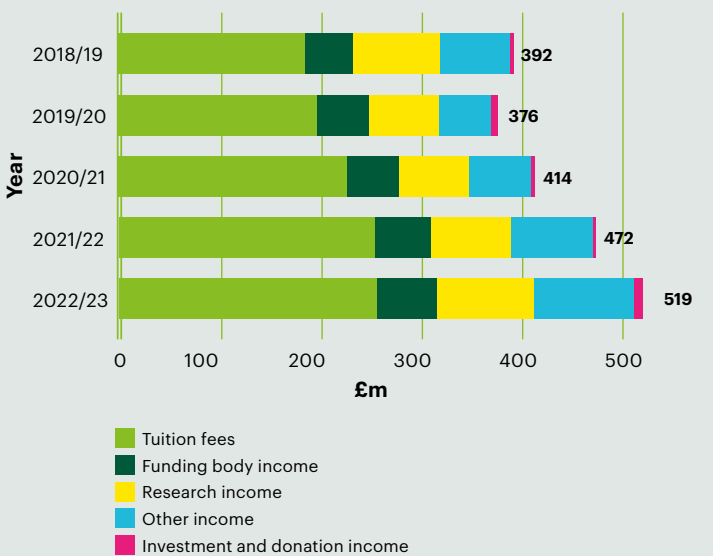
£97m

research income –
exceptional growth

KEY FINANCIAL INDICATORS

	2022/23	2021/22	change
Total income	£519m	£472m	+9.9%
Staff Costs as % Income*	56.5%	53.8%	+2.7
Operating (Deficit)/Surplus as % Income*	-2.6%	3.2%	-5.8
Net Liquidity Days*	124	166	-42

*excluding USS pension provision movements

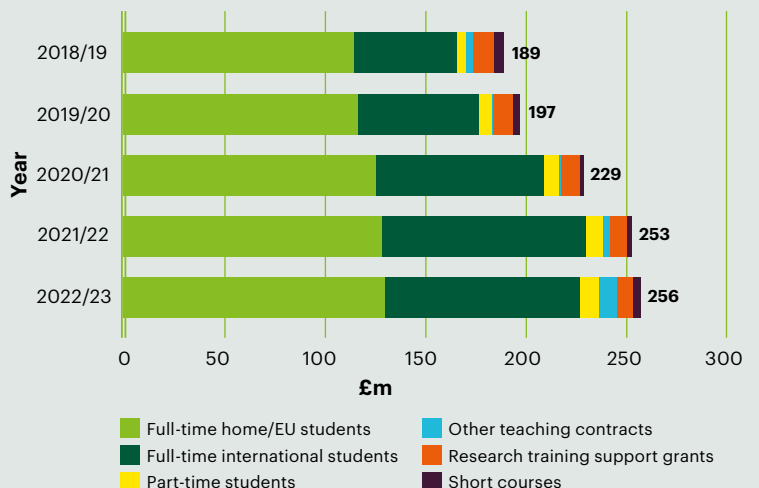


TOTAL INCOME

Total income increased by £47m to £519m, representing 10% growth in the year. Increased income was achieved mainly through growth in research income (£17m), alongside smaller increases in residential and other income, which incurred corresponding increases in operating costs.

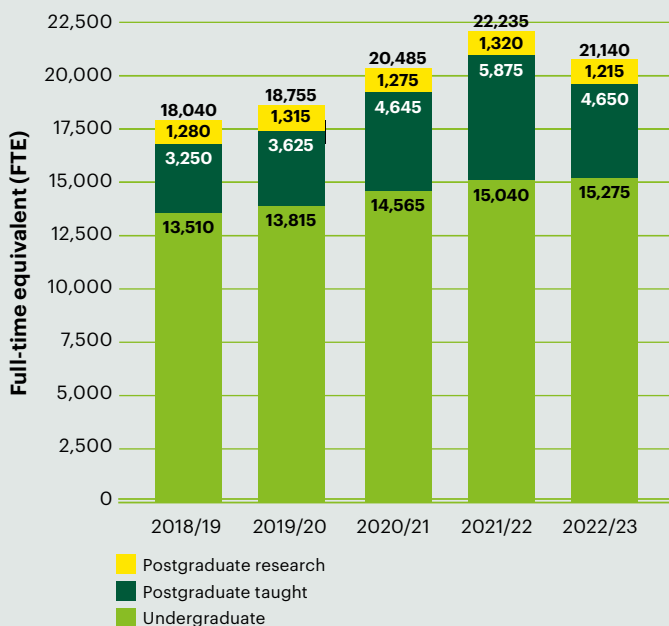
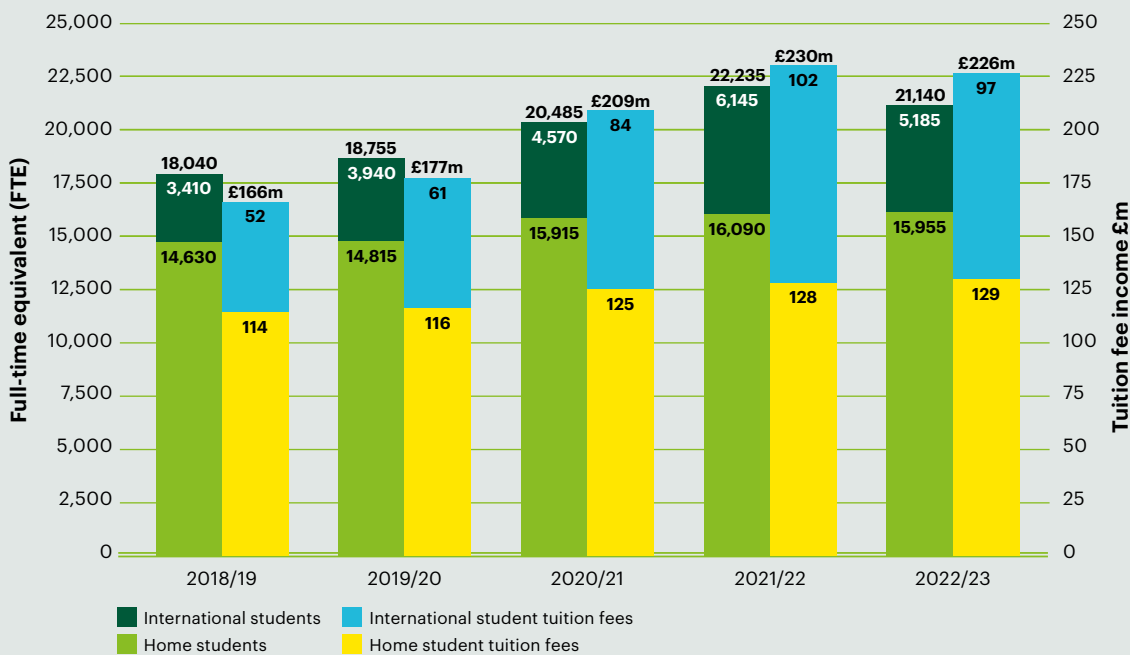
TUITION FEES AND EDUCATION CONTRACTS

International student numbers decreased in the year following high recruitment after the Covid pandemic and reflecting changed geopolitical circumstances. Alongside flat home student income, this has resulted in marginal growth of £3m in tuition fees in the year. Growth in international student numbers remains a key strategic priority to ensure the financial sustainability of the University.



FULL-TIME STUDENT NUMBERS

While the five-year position remains one of growth across both international and home students, the total number of students fell back from 2021/22 levels to 21,140 in 2022/23. The number of international students within this figure reduced by 960.

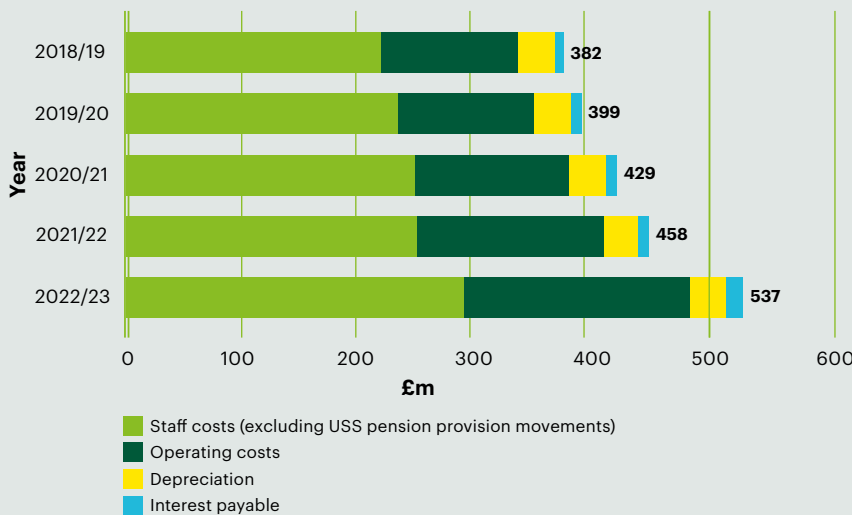
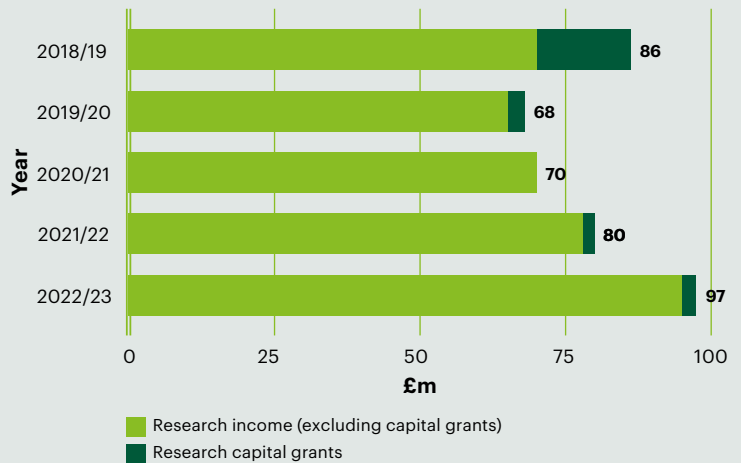


STUDENT NUMBERS BY STUDY LEVEL

The number of undergraduate students continued to rise in 2022/23 with an additional 235 students. Postgraduate taught student numbers, both on campus and through distance learning online, reduced in year by 1,225 to 4,650, resulting in an overall reduction in total student numbers.

RESEARCH INCOME

Total research grants and contracts income for 2022/23 amounted to £97m, an increase of 21% (£17m) on 2021/22, exceeding the previous year's record performance and reflecting the University's top ten ranking in the Research Excellence Framework. York continues to be positioned as a future leader in new and emerging research projects.

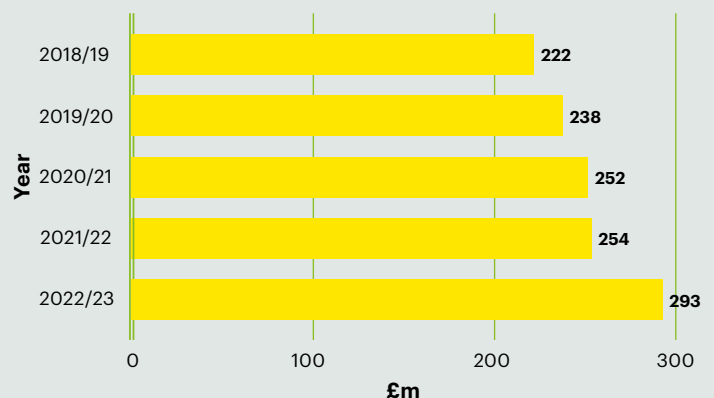


TOTAL COSTS

Total costs (excluding pension provision movements) increased by £79m to £537m. Within this figure, staff costs increased by £39m and operating costs by £35m, reflecting increased operational costs in line with growth in other income, plus inflationary pressures.

STAFF COSTS

Staff costs increased by £39m in 2022/23 following a 9% increase in staff numbers. Included within this figure is the 3% minimum pay uplift awarded from 1 August 2022, together with a minimum 2% uplift as part of the 2023/24 award paid from 1 February 2023 in light of cost-of-living pressures. Additionally, the University implemented the proposed rise in the Real Living Wage early, from January 2023. To further support staff during the cost-of-living crisis, a one-off payment of between £500 and £750 was made to all staff on grades 1 to 8 in November 2022.



NUMBER OF STAFF

Overall staff numbers increased by 9%. Academic staff increased by 7% (139 FTE), while support staff increased by 10% (262 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. The pension provision movement changes significantly each year, influenced by changes to interest rates and discount rates. Small market changes can result in significant impacts due to the size of provision, relative to the University's balance sheet.

While the 31 March 2023 triennial valuation is currently being undertaken, the financial statements continue to reflect the February 2022 recovery plan until the 2023 valuation is formally adopted by USS. The 2023 valuation

is expected to return a surplus position for the USS and as such, USS provision is expected to substantially reduce in the next 12 months. The 2021/22 increase in provision of £99m reflected the conclusion of the 2020 valuation at which time the scheme was in significant deficit.

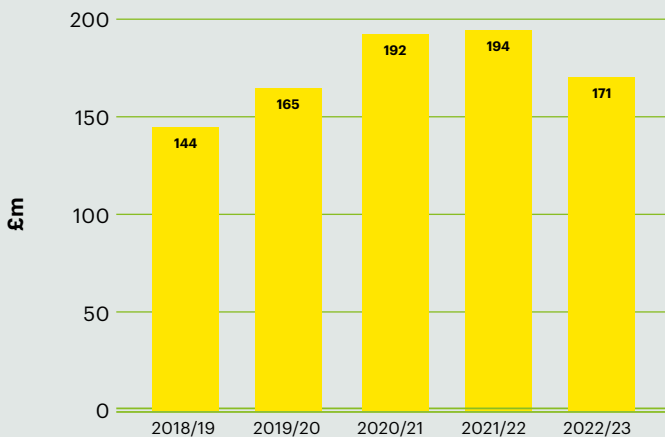
	Contributions	Provision increase/(decrease)	Year end provision
	£m	£m	£m
2018/19	23	74	109
2019/20	27	(44)	65
2020/21	28	(6)	59
2021/22	30	99	158
2022/23	34	(18)	140

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.

The FRS 102 calculation has resulted in a surplus position reported of £52m (2021/22: £18m). The surplus is reflective of significant increases in discount rates, driven by increased interest rates.

The University has no plans to recover the surplus by way of transfer of a capital amount.

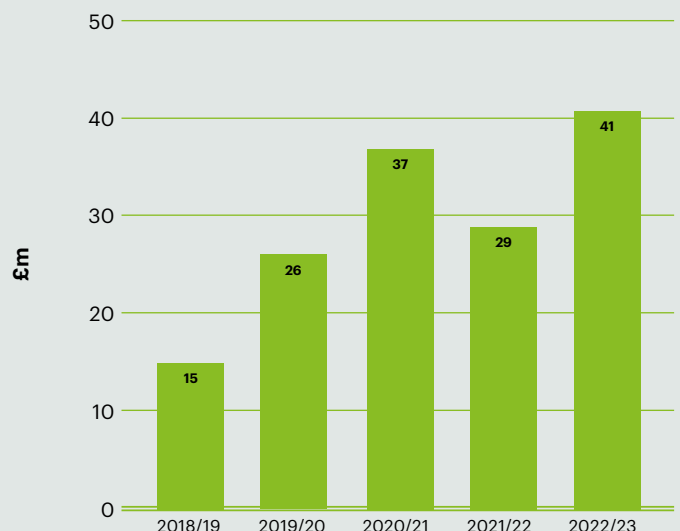


CASH AND SHORT-TERM INVESTMENT BALANCE

The University holds cash to fund its capital programme and provide resilience against financial events. The cash and short-term investment balance at 31 July 2023 amounts to £171m comprising £91m cash at bank and £80m in short-term investments. This represents 124 days’ expenditure, compared with 166 days’ at 31 July 2022. The University targets cash and short-term investment balances not falling below 90 days’ net liquidity.

CAPITAL PROGRAMME

The University has incurred £41m of capital expenditure in the year for projects including the refurbishment of University student accommodation (£4.4m), the new University nursery building (£3.7m) and the new virtual learning environment (£1.7m). Additional expenditure has been incurred for the relocation of the University’s security centre (£1.5m) and completion of the energy centre (£11.5m), plus a number of high value equipment purchases to support the University’s teaching and research activities.



INVESTMENTS

The University holds a £7m portfolio of equities and similar investments to support University endowments. The holding reduced in value by £0.3m in the year (2021/22: £0.6m reduction) due to decreases in market value.

The Group holds investments in joint ventures of £35m (2021/22: £30m). The investments increased by £5m in the year (2021/22: increase £1m) arising from increases in the market value of investment properties held by certain of the joint ventures.

LOAN NOTES

The University has previously recognised loan notes of £120m as basic financial instruments, resulting in the loan notes being recognised at amortised cost. Certain of the loan notes are subject to foreign exchange options held by US investors to protect against future foreign exchange exposure, should the University decide in the future to repay part or all of the debt early. A review of the loan notes has concluded that the instruments should be classified as non-basic and recognised at fair value.

The change in recognition has resulted in a gain of £4.1m (2022: £62.9m) in relation to fair value movements being recognised through the statement of comprehensive income and expenditure.

The value of the loan notes in the balance sheet has reduced from £120m to £84m (2022: £88m). Please see Note 33 for details of the prior year adjustments. The contractual payments arising from the loan notes are unchanged.

GOING CONCERN

The going concern status has been assessed over a period of two years to July 2025. In addition, five-year forecasts are prepared and reviewed by Council annually, with the latest forecast being approved in November 2023.

The latest forecast forms the base case forecast against which going concern has been reviewed, with sensitivity analysis performed across a range of scenarios from realistic to implausible. The key economic assumption in the forecast is that inflation falls over the period to 3.0% by 2024/25.

The University is forecast to have significant cash reserves throughout the going concern period, held across both short-term, easily convertible current asset investments and cash balances. As at 31 July 2023 the University held £80m of short-term current asset investments alongside £91m of cash balances. These reserves are considered sufficient to support the University in conducting teaching, research and other activities over the going concern period, alongside cash resources to fund future capital projects.

As such, the main risk to going concern is the University's ability to meet loan note covenants.

The scenarios modelled for sensitivity analysis centred on the impact of international student recruitment, alongside reductions in research and other income, combined with the impact of pay inflation. The results of this analysis have been reviewed against the University's cashflow forecasts and covenant compliance, after considering potential mitigating actions the University could take.

The results of the analysis are that an implausible financial impact would need to occur before covenants were breached and the University would remain financially sustainable were a breach to occur. The University has identified a further range of mitigating actions that could be taken to reduce the impact of any potential breach, including reductions in operating expenditure and reprioritising of capital investment expectations.

After reviewing and approving the five-year forecasts, alongside the sensitivity analysis performed, Council is confident that the University will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Council therefore confirms it is appropriate to prepare the financial statements on a going concern basis.

FUTURE OUTLOOK

The University has had a challenging year against a backdrop of increasing costs and persistent inflation, while the domestic tuition fee has remained fixed, despite inflationary pressures. Growth of international student income has proved challenging in a volatile international environment.

Looking ahead, the University, alongside the sector, continues to face increasing costs and income erosion through high levels of inflation. This, combined with continued volatility in international student numbers, has led the University to actively seek to address its cost base through cost containment and cost management measures, alongside a reset of capital and infrastructure plans in line with available resources. These measures aim to ensure funds are available for digital transformation, carbon neutrality and estate development projects.

The University continues to be heavily reliant on international student recruitment and this remains a key focus of the University's Strategy. Student numbers have been reviewed and revised to moderate planned growth, alongside a flexed cost base.

Our staff remain key to achieving the University Strategy and the University is committed to continuing its investment as a real living wage employer across all Group companies, together with ensuring adequate investment in transformational initiatives.

At Group level, an increased focus on both income and profitability growth for the Group subsidiaries will ensure these companies continue to be commercially viable and financially sustainable.

Key priorities over the next five years are to improve the University's operating position to an operating surplus, while maintaining minimum net liquidity of 90 days and ensuring covenant safety margins are maintained.

Despite continued inflationary pressures, the University recognises the need to continue to invest in both physical and digital infrastructure and strategic projects, in order to deliver transformational change.

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 during a challenging period for higher education institutions.

The University is an independent corporation with charitable status, established by Royal Charter (Royal Charter Company Number: RC000679).

As a provider in receipt of public funding from the Office for Students (OfS) and 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.

The University's objects, powers and framework of governance are defined in the University's Charter and supporting Statutes and Ordinances. 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).

CORPORATE GOVERNANCE STATEMENT

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. The comprehensive amendments to the University Charter and Statutes were passed by the Privy Council on 12 October 2022, and took effect from 03 January 2023, followed by University Council approval of a new Ordinances framework.

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 their 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.

Building on the 2021/22 Council Effectiveness Review conducted with the Halpin Partnership, further work has taken place in 2022/23 to

enhance the effectiveness of Council. During the period, programmes of work to deliver the recommendations arising from the review have been delivered, under the regular oversight of Council.

This includes the strategising of Council meeting agenda and business, to add increasing value to decision-making, and advising the University Executive Board (UEB) in its responses to major changes in the funding, economic, regulatory and industrial action environment in which the University operates.

The horizon-scanning capacity of Council has been further harnessed in 2022/23, centred on a joint away day with UEB and four development sessions covering student accommodation, an interactive forum with student and sabbatical officers presenting their campaign portfolios, governmental and OfS regulatory burden, and generative Artificial Intelligence (AI). The first joint Council–Senate session on sector regulation, and academic freedom and freedom of speech developments was held in May 2023.

Below is a snapshot of key Council business considered and/or approved across its four meetings in 2022/23.

Strategic advisory and/or approval	Regulatory, policy and report review and/or approval
Chair of Council succession and appointment	
Vice-Chancellor and President strategic horizon scanning and impact analysis	Charter and Statutes review finalisation and Privy Council submission
University Strategy 2030 and transformational initiatives	Revised Ordinances Framework adoption
Integrated infrastructure plan 2030 Estates and Digital	Court Review commissioning
	OfS accountability returns, e.g. financial budgets and forecasts, Prevent Duty annual reporting
Financial risk strategy and management	Academic annual assurance, including research integrity and degree outcomes statements
Sustainability plan 2021–2030 update	Equality, diversity and inclusion annual report 2022/23
Corporate risk, risk appetite statement and strategic KPIs	Gender pay gap reporting and analysis
Teaching Excellence Framework (TEF) submission strategic insights	Single students' union formation

University Council membership 2022/23

NAME	POSITION/MEMBERSHIP CATEGORY	EXPIRY OF CURRENT TERM ¹
Pro-Chancellors and other senior office holders		
Dr Denise Jagger	Pro-Chancellor and Chair of Council	July 2023 ²
Dr Alice Maynard	Pro-Chancellor and Chair of Council (Designate)	March 2026 ³
Mr Philip Carpenter	Pro-Chancellor	July 2027
Mr Chris Thompson	Pro-Chancellor, Treasurer and senior independent lay member	July 2026
Professor Charlie Jeffery	Ex-officio: Vice-Chancellor and President	N/A
Professor Saul Tendler	Ex-officio: Deputy Vice-Chancellor and Provost	N/A
Professor Ken Badcock	Deputy Vice-Chancellor and Provost Designate	N/A ⁴
Other independent members		
Ms Lindsey Fussell	Independent member (Deputy Treasurer)	July 2027
Ms Abisola Barber	Independent member	May 2025
Professor Simon Best	Independent member	October 2024
Professor Dame Vicki Bruce	Independent member	January 2026
Professor John Loughhead	Independent member	October 2024
Ms Judith McNicol	Independent member	October 2024 ⁵
Ms Amanda Nevill	Independent member	October 2024 ⁶
Dr Philip Rycroft	Independent member	February 2025
Mr David Watson	Independent member	January 2026
Academic and Professional Support staff members		
Professor Kiran Trehan	Pro-Vice-Chancellor nominated by Senate	September 2023
Professor Kieran Gibson	Academic staff member nominated by Senate	January 2024
Professor Nicky Milner FBA	Academic staff member nominated by Senate	July 2024
Professor Lesley Stewart	Academic staff member nominated by Senate	July 2024
Mr Andy Durrant	Elected by Professional Support staff	December 2023
Mr Jonny Exon	Elected by Professional Support staff	November 2024
Students' Unions – Sabbatical Officer representatives		
Mr Pierrick Roger	President of the Students' Union	June 2024
Ms Viviane Yuxin Cao	President of the Graduate Students' Association	July 2023
Other senior officers in permanent attendance		
Dr Adam Dawkins	University Secretary (Secretary to Council)	
Dr Joss Ivory	Chief Operating Officer	
Mr Jeremy Lindley ⁷	Finance Director	

An annual register of interests is maintained and published for each Council member and co-opted committee member, as well as for all University Executive Board (UEB) members. All Council and UEB members are asked annually to self-certify against the OfS 'fit and proper person' indicators.

1. Several Council members were reappointed during the period 1 August 2022 to 31 July 2023, and this is reflected in the 'current' term end date.

2. End of final term of office as Chair of Council. See footnote 3.

3. Appointed an Independent Council member and Chair Designate on 6 March 2023, assuming Chairship of Council on 1 August 2023.

4. Professor Badcock joined the University on 01 May 2023, and attended Council (i.e. not as a member). He assumed Council membership with effect from August 2023 following Professor Saul Tendler's retirement.

5. Leave of absence approved from 11 September 2023 to 29 February 2024.

6. Resigned 31 July 2023.

7. Resigned 1 November 2023.

COUNCIL SUB-COMMITTEES

As an outcome of the Halpin Review of Council Effectiveness (2021), the corporate governance committee system was reconfigured, including: disbandment of the Ethics Framework Governance Committee, merger of the Nominations and Honorary Associations Committees, and migration of Student Life Committee to singularly report to the Senate. The Equality, Diversity and Inclusion Committee and Health, Safety and Welfare Committee migrated from Council 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, Professor Charlie Jeffery) 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. The Senate is responsible for providing assurance to Council in relation to academic quality and standards, the student academic experience and outcomes. The recommendations arising from the 2021/22 Senate Effectiveness Review were adopted by Senate at its July 2022 meeting and have been implemented in 2022/23. This includes major revisions to Senate's membership, including a reduction in senior academic staff representation (Heads of Department) and increases in student member and staff equality network representation. Senate's agendas have become more strategically and horizon-scanning-focused, with greater balance across the Pro-Vice-Chancellors' portfolios, and clearer delegation of more routine and/or specialist matters to Senate sub-committees. A review of

Senate sub-committee effectiveness spun out of the 2021/22 review, the recommendations from which were adopted at Senate's May 2023 meeting.

Constitution and Nominations

Committee (Chair: Chair of Council and Pro-Chancellor, Dr Denise Jagger) merged two former committees: Honorary Associations Committee and Nominations Committee. It has met three times in 2022/23, with other decisions transacted by written resolution, and has discussed a range of constitutional matters relating to Council and Court and committee membership, including equality, diversity and inclusion objectives; Chair and Chancellor succession; the Charter, Statutes and Ordinances Framework; oversight of the Court Review; and honorary degree nominations.

Audit and Risk Committee (Chair: independent Council member, David Watson) comprises independent Council members (including one co-opted member who is not a Council member) and meets five times per year. The internal and external auditors are invited to each meeting of the Committee. Senior officers are in attendance at each meeting (i.e. not as members): the Treasurer, the Deputy Vice-Chancellor and Provost, the Chief Operating Officer, the Finance Director, the Director of Strategic Planning and performance (and formerly the Director of Planning and Risk), the University Secretary. The Committee continued to embed the agreed outcomes of its 2021/22 Effectiveness Review, which included an extension of its remit to review Health and Safety and Prevent Duty matters on behalf of Council, and strengthened periodic assurance reporting on thematic compliance areas. The Committee received strengthened assurance around all aspects of corporate risk at each of its meetings, and recommended a Risk

Appetite Statement and methodology for Council approval. At its joint annual meeting with the Finance Committee, the Audit and Risk Committee reviewed the 2022/23 Annual Report and Financial Statements, including the University's response to the external auditors' annual management letter. Advised by the University's internal auditors, 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, Philip Carpenter) 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). In 2022/23 it strengthened the assurance it has sought around senior remuneration in the context of the wider workforce pay and reward structure, pensions and industrial relations, and considered reports on the University's gender pay gap and equal pay review initiatives.

Finance Committee (Chair: University Treasurer, Chris Thompson) 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, and in 2022/23 signed off a range of policy matters.

The **Urgent Decisions Group** (UDG) had no requirement to meet in 2022/23.

STATEMENT OF INTERNAL CONTROL

The Statement of Internal Control covers the period 01 August 2022 to 31 July 2023 and up to the approval of the financial statements.

Council is of the opinion that a sound system of internal control has been maintained in the University in 2022/23. 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. Council's internal control oversight is achieved through several means, including clear delegation of authority through the wider SoDA across the entire committee and senior management substructure. Central to this is delegation of detailed oversight of the adequacy of the internal control environment to the Audit and Risk Committee (ARC). This is satisfied through Council consideration of reports and assurance from ARC at each of its meetings, and ARC's annual report and opinion on the adequacy of arrangements for governance, internal control, data quality and value for money. Council also receives a range of compliance reports and opinions, including through twice-yearly corporate risk management reporting, reports from key officers including the Finance Director (who is executive lead for external and internal auditor liaison) and University Secretary, as well as sign-off of key regulatory returns as required by the OfS and other bodies.

As demonstrated through delegation, 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 2023 comprised a 200-day risk-based programme, based on 12 internal audits. There have been several in-year adjustments to the 2022/23 plan, to reflect new and emerging priorities in the internal control environment. Alongside the internal audit control function, the University appoints a firm of external auditors whose primary role is to report on the University's financial statements, underlying records and control systems, to reach their opinion on the statements and report on the appropriate use of University funds, as disclosed in this document. In 2022/23, under the auspices of the Finance Director and Audit and Risk Committee, a successful competitive tender was launched to appoint external auditors.

The effectiveness of the system of internal control is regularly reviewed by Council and accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education. It is informed also by an externally-appointed internal audit team, which complies with the professional standards of the Chartered Institute of Internal Auditors. Internal Audit coordinate their work appropriately with the external auditors and other

assurance providers, to help improve the University's internal controls and support the delivery of value for money. Both senior management and the Audit and Risk Committee have also reviewed the performance of Internal Audit and are satisfied with it.

Financial internal control systems, as well as those for legal and governance-related approvals, have been fully retained as hybrid office-based and remote working became the norm. 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 2023, and up to the date of approval of the Annual Report and Financial Statements. In 2022/23, the risk management framework review has continued to be embedded under the leadership of the Director of Planning of Risk, who is also a member of UEB.¹ Significant progress has been made under the auspices of UEB's Risk Review Group (RRG), UEB's ownership of risk, and ARC's assurance testing on the effectiveness of the framework for managing corporate risk. Key work includes new metrics for corporate risk execution and resource gaps; 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 2023/24.

Significant work to adopt a Risk Appetite Statement and underpinning methodology has taken place in 2022/23 with a Statement approved by Council in 2023.

Council is of the view for the period to the end of the 2022/23 financial year, and up to the approval and signing of the annual financial statements, that:

¹ The role-holder left the University at the end of July 2023. A Director of Strategic Planning and Performance has been appointed, and their role includes oversight of the corporate risk management portfolio.

- a sound system of internal control is in place
- University management has a clear understanding of the risk environment in which the University operates and is taking appropriate mitigating actions where possible.

On behalf of Council, and having considered reports, recommendations and reviews on the effectiveness of the University's arrangements for risk management, internal control and governance for the financial year 2022/23, the Audit and Risk Committee has satisfied itself that the systems and controls are effective, including for public funding received from the OfS, UKRI, Research England and other funding public bodies.

The Audit and Risk Committee satisfies itself via reports on behalf of the Vice-Chancellor at each of its meetings at which any material non-compliance, irregularity and impropriety in the use of public funding received would be raised. The Committee also receives an annual report on data quality at its September meeting, to provide assurance from senior management that there are adequate arrangements in place during the reporting period to effectively manage risk in relation to data quality of statutory data returns submitted on behalf of the University to a range of regulatory bodies, which is a key means of assurance around compliance with public funding. In its 2022/23 Annual Report, the Committee reconfirmed its view on the adequacy of data focused on assurance around high-risk returns with funding or reputational implications, and that various regulators' validation standards had been met and there were no reported issues with the data submitted and no material adjustments or corrections for accuracy required. Also, recruitment of a Strategic Insight and Analysis Manager with specific

authority for statutory returns provided an important internal control.

Internal Audit select a data return for assessment each year as part of its annual plan, which in 2022/23 reviewed controls in place for completion of the Higher Education Business and Community Interaction Survey (HE-BCI), which partly informs Research England funding (under the UKRI umbrella) allocation of the Higher Education Innovation Fund (HEIF). The findings for this audit were reported to the Committee and classified as low risk.

Compliance by the University with OfS ongoing conditions of funding is the executive responsibility of the Finance Director, noting that completion, OfS validation and sign-off of the Annual Financial Return (AFR) forms the principal annual evidence of the University's compliance with ongoing OfS conditions of funding.

There have been no significant internal control weaknesses, or material adverse events as defined in the OfS terms and conditions of funding, during the reporting period, or up to the point of approval.

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 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 such as 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 in the two years following the Covid-19 pandemic period and in response to the ongoing cost-of-living challenges.

The University supports a spectrum of charitable purposes through its research. 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.

REMUNERATION

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

The University of York is required 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 University does this through its Remuneration Committee which is a formal sub-committee of the University Council. The Committee has 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.

Remuneration Committee members are appointed by Council and the Chair of Council is a member of the Remuneration Committee. A full list of members can be found on our Remuneration Committee web page at: york.ac.uk/remuneration.

The Vice-Chancellor and President is not a member of the Remuneration Committee and is not present when his remuneration, including salary and

other benefits, is being considered or decided upon. However, he and other individuals such as the Deputy Vice-Chancellor and Provost may be invited to attend for part of a meeting, as appropriate.

The Director of Human Resources attends Remuneration Committee meetings to present papers that provide guidance and context to the committee.

ROLE OF THE REMUNERATION COMMITTEE

The Committee is responsible for overseeing all pay decisions for senior staff and making decisions where remuneration is over £100,000. It determines the specific remuneration of the following senior post-holders within the University:

- 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
- Pro-Vice-Chancellor Global Strategy (fixed-term post until April 2027)
- Dean of the Faculty of Arts and Humanities
- Dean of the Faculty of Sciences
- Dean of the Faculty of Social Sciences

In addition, the Committee reviews equality and diversity issues, allowances and expenses reimbursed for senior staff.

The Remuneration Committee met twice during the year 2022/23. In November 2022, it focused on making decisions on appropriate pay levels for each senior post-holder. While the outcomes of national pay negotiations are not automatically implemented for senior posts, the Remuneration Committee seeks to

achieve parity by giving consideration to the increase given to other university staff via the national pay negotiations and incremental pay. In May 2023, the Committee considered the budget for senior post remuneration for the new financial year and the context in which to set pay decisions.

Outside these meetings, Committee members were asked to approve decisions on recruitment, retention and severance proposals for individuals remunerated above £100,000. These decisions are made giving careful consideration to the context in which the University is operating.

The University of York is a member of the Russell Group of leading universities within the UK. Russell Group universities are committed to world-class research and education which will create a dynamic economy, stronger communities and a better future for the UK.

The University had 21,140 students on its programmes during 2022/23 and employs approximately 5,100 staff, making it a major contributor and employer for the local area.

VICE-CHANCELLOR'S PAY

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 to achieve its Strategy.

The following table shows the relationship between the remuneration of the Vice-Chancellor and President (£296,506.70) and the median value for all other staff at the University (£30,783.75 basic, £32,979.51 total remuneration).

	2022/23	2021/22
Basic salary	9.63	9.76
Total remuneration	8.99	9.43

Total remuneration includes allowances for additional responsibilities, market supplements, awards and shift premiums. Professor Jeffery does not receive any additional allowances.

The Remuneration Committee receives assurance and information on a Chair of Council-led assessment of the Vice-Chancellor and President's performance against their agreed objectives for 2022/23, which leads to a pay recommendation for Remuneration Committee consideration.

Analysis of data from the CUC Vice-Chancellor remuneration survey conducted in January 2023 was presented to the Remuneration Committee. This showed that Professor Jeffery's salary is in the lower quartile compared to other Russell Group universities.

In 2022/23, Professor Jeffery was offered a pay award of 5.3 per cent, but to maintain alignment with staff across the University, he opted to reduce this to the sector baseline award of 3 per cent. The proposed percentage pay increase for the Vice-Chancellor and President reflects a period of exceptionally strong leadership. This includes major achievements such as the University's

ranking of 10th nationally in the Research Excellence Framework 2021 according to the *Times Higher Education* rankings, ongoing increases in research grant income to almost £100m per annum, success in the National Student Survey particularly around areas of academic support, continued investment in capital and digital initiatives, and the strength of the University's response to the cost-of-living crisis.

The University is an accredited Living Wage employer. Implementing the increase published in September 2022 required changes to the grade structure, giving an increase in pay to approximately 2,000 employees.

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
- the CUC Vice-Chancellor remuneration survey
- expert searches which may be commissioned to support recruitment to specific roles.

OTHER REMUNERATION INFORMATION

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 £750 was made to staff in grades 1 to 5 and £500 for staff in grades 6 to 8 in recognition of the cost-of-living situation. No payment was made to staff above the National Framework, including senior post-holders.

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.

EXPENSES POLICY

The University has a stated expenses policy that applies to all staff including senior post-holders and lay 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.

STATEMENT OF RESPONSIBILITIES OF THE COUNCIL

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

The Council (the Members of which are also the directors of the University for the purposes of company law) is responsible for preparing the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition, the Council is required to prepare the financial statements in accordance with the Office for Student ('OfS') Accounts Direction (issued October 2019), the OfS Terms and conditions of funding for higher education institutions (issued July 2022) and the terms and conditions of the funding agreement with UK Research and Innovation (including Research England) through its accountable officer. Under company

law, the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and the Group of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University and the Group for that year.

In preparing the financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the OfS Terms and conditions of funding for higher education institutions (issued July 2022), the Statement of Recommended Practice – Accounting for Further and Higher Education 2019 (issued October 2018 and any subsequent amendments), the OfS Accounts Direction (issued October 2019) and the Companies Act 2006.

It is also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of Council have taken reasonable steps to:

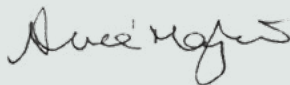
- ensure that funds from the OfS, Research England and other funding bodies are used only for the proper purposes for which they have been given and seek to achieve value for money in accordance with the OfS Terms and conditions of funding for higher education institutions (issued July 2022) and the funding agreement with UK Research and Innovation (including Research England), and any other conditions which the funding body may from time to time prescribe;
- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS;
- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
- ensure an effective framework – overseen by the University's senate, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards; and
- consider and act on the OfS' assessment of the University's risks specifically in relation to these funding purposes.

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

The Council confirms that:

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

Approved on behalf of the Council by:
Dr Alice Maynard, Chair of Council
17 January 2024



ACCOUNTS

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

OPINION

We have audited the financial statements of University of York (the 'parent University') and its subsidiaries (the 'Group') for the year ended 31 July 2023, 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the parent University's affairs as at 31 July 2023 and of the Group's and the parent University's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report on page 37. We are independent of the Group and the parent University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's

and the parent University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent University to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the Group's and the parent University's business model including effects arising from macro-economic uncertainties such as the cost-of-living crisis and ongoing industrial action of teaching unions, and we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the Group's and the parent University's financial resources or ability to continue operations over the going concern period.

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

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

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

OTHER INFORMATION

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

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

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

We have nothing to report in this regard.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to give our opinion on other matters prescribed by the Office for Students Accounts Direction (issued October 2019) ('the OfS Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with relevant terms and conditions; and
- the requirements of the OfS Accounts direction have been met.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

RESPONSIBILITIES OF COUNCIL

As explained more fully in the Statement of responsibilities of the Council set out on page 32, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Group's and the parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and parent University, and the sector in which it operates. We determined that the following laws and regulations were most significant:

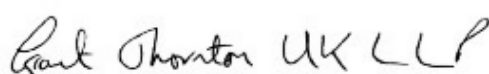
- financial reporting legislation (FEHE SORP 2019, United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 and the OfS Accounts Direction (October 2019));
- regulatory environment (including the OfS framework and relevant OfS regulatory notices);
- legal framework and the Royal Charter and its supporting Statutes;
- Research England Terms and Condition of Funding; and
- The Higher Education Code of Governance published by the CUC.

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

- We understood how the Group and parent University are complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review.
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - the Group and parent University's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - the Group and parent University's control environment, including the adequacy of procedures for authorisation of transactions.
- We assessed the susceptibility of the Group and parent University's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing related party transactions; and
 - completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the Group and parent University operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the rules and interpretative guidance issued by the Financial Conduct Authority;
 - the Group and parent University's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the parent University and Group's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

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



Gareth Hitchmough BSc FCA
for and on behalf of Grant Thornton
UK LLP, Statutory Auditor

USE OF OUR REPORT

This report is made solely to the University's Council, as a body, in accordance with paragraph 15 of the University's Charter. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Council as a body, for our audit work, for this report, or for the opinions we have formed.

Chartered Accountants
Liverpool

18 January 2024



University of York students joined thousands at the York Pride Parade March in the city centre

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019 (SORP) 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 disclosure requirements of the SORP and FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

2. EXEMPTIONS UNDER FRS 102

The University has taken advantage of the exemptions available under section 3.3 of the Statement of Recommended Practice (1.12(b) of FRS 102) to not produce a separate cash flow Statement for the University.

3. GOING CONCERN

Council has assessed its going concern status over a period of two

years to 31 July 2025. In addition, Council reviews and approves five-year forecasts annually in order to be satisfied that the University can meet working capital needs from forecast cash balances.

The University's latest five-year forecast was approved in November 2023 and forms the base case for conducting scenario analysis over the going concern period. Covenant compliance is considered the main risk to going concern, given the University's high level of current asset investments and cash balances. As at 31 July 2023 the University held £79.9m of short-term current asset investments, alongside £90.9m of cash balances. These reserves are considered sufficient to support the University in conducting teaching, research and other activities over the going concern period, alongside cash resources to fund future capital projects.

The scenario analysis explores scenarios from realistic to pessimistic and considers the impact on both liquidity and covenant compliance.

The analysis covered associated risks under the following headings:

- Student tuition fee income
- Research funding
- Other income
- Pay Inflation

Under both realistic and severe but plausible scenarios, liquidity was maintained above the University's

minimum requirement of 90 days alongside achieving covenant compliance. Liquidity and covenant compliance are met by implementing mitigating actions including rephasing investment in infrastructure, expenditure reductions and a freeze in recruitment of non-essential staffing positions.

An implausible financial impact would need to occur before covenants were breached and the University would remain financially sustainable were a breach to occur.

After reviewing and approving the five-year forecasts, alongside the sensitivity analysis performed, Council is confident that the University will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Council therefore confirms it is appropriate to prepare the financial statements on a going concern basis.

4. BASIS OF CONSOLIDATION

The consolidated financial statements include the University and all its subsidiaries, together with the share of results of joint ventures and associates, for the financial year to 31 July 2023. 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. Balances between the University and its joint ventures and associates are not eliminated. 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.

5. 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 OfS, research grants from government sources and grants (including research grants) from non-government sources, is recognised in income over the period in which the University recognises related costs.

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.

6. CAPITAL GRANTS

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

7. 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 USS. 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.

The last formal actuarial valuation of the scheme as at 31 March 2020 reported liabilities greater than the scheme's assets. As a result, the University 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 statement of comprehensive income and expenditure.

8. 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.

9. TERMINATION BENEFITS

Termination benefits paid to employees are recognised as an expense in the year in which they are paid, or when the University is demonstrably committed either:

- to terminate the employment of an employee, or group of employees, before their normal retirement date, or

- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits are measured as the best estimate of expenditure required to settle the obligation at the reporting date.

10. 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.

11. 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.

12. SERVICE CONCESSION ARRANGEMENTS

When the University enters into a service concession arrangement, the terms of the arrangement are

considered to inform Council's judgement on how to account for the arrangement. The University has a service concession arrangement in place with Civitas.

Current assets held under service concession arrangements are initially recognised on the balance sheet at the present value of the lease payments when the assets are brought into use, with a corresponding financial liability.

13. 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.

14. 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.

15. INVESTMENTS

Investments in subsidiaries and joint ventures are carried at cost less impairment in the University's accounts. Other non-current investments comprise a portfolio of equities and similar investments to support the University's endowments. These are held at fair value with movements recognised in the consolidated statement of income.

Current asset investments are held at fair value with movements recognised in the consolidated statement of income.

16. DEFINED BENEFIT NET ASSET

A plan surplus is recognised as a defined benefit plan asset when the defined benefit obligation at the reporting date is less than the fair value of plan assets, only to the extent that the University is able to recover a surplus through reduced contributions in the future, or through refunds from the plan.

17. STOCK

Stock is held at the lower of cost and estimated selling price less costs to sell.

18. CASH AND CASH EQUIVALENTS

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

19. 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. FINANCIAL INSTRUMENTS

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.

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

Debt instruments which meet the classification of basic financial instruments as defined by paragraph 11.9 of FRS 102 are measured at amortised cost.

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.

Long-term debtors and creditors

Debtors and creditors payable over more than one year are recorded at transaction price and subsequently recognised at amortised cost.

Loans

Loans which meet the criteria for basic financial instruments are initially recorded and subsequently measured at transaction price, net of transaction costs.

Certain of the University's loan notes are subject to foreign exchange hedges held by US investors. The hedges protect the investors against future foreign exchange exposure should the University decide in the future to repay part or all of the debt early. Under FRS 102, these instruments are classed as non-basic and measured at fair value through the statement of comprehensive income and expenditure.

Fair value

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

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. The University's loan notes carried at fair value are also subject to interest rate risks.

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.

25. ACCOUNTING ESTIMATES

Key estimates included in these financial statements are stated below.

Universities Superannuation Scheme

The University participates in the 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 USS. 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 2023. Details of this provision, which has been discounted at a rate of 5.49% as at 31 July 2023, are included in Note 35 to the accounts.

Sensitivity analysis is provided below, based on possible changes of the assumptions occurring at 31 July 2023. The sensitivities have been derived in the same manner as the defined benefit obligation as at 31 July 2023. The sensitivities are calculated by changing each assumption with all other things held constant.

- A decrease in the discount rate by 0.5% per annum from 5.49% per annum to 4.99% per annum leads to an increase in the provision of £5.1m at 31 July 2023.
- An increase in the combined growth in future payroll costs for inflation, pay rises or additional staff by 1.0% per annum leads to an increase in the provision of £10.5m at 31 July 2023.

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 35 to the accounts.

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

- A decrease in discount rate of 0.5% per annum from 5.20% to 4.7% leads to a decrease in the pension asset of £12m at 31 July 2023.
- 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 2023.

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 of £3.4m is being amortised over 10 years which is the estimated useful life of the goodwill.

Fair value of non-basic financial instruments

The fair value of the non-basic financial instruments has been measured by discounting expected future cash flows to present value using a discount rate based on market rates for similar debt instruments. The discount rate has been calculated based on the average yield of UK 30 year gilts applied to the principal amount and forward rates applied to future interest rate payments. The rate has been adjusted to reflect the University's credit rating.

The impact of the fair value is to recognise a gain of £4.1m (2022: £62.9m) in the statement of comprehensive income and to recognise a fair value of the loan note of £70m (2022: £74m) in the balance sheet.

The following sensitivity analysis has been calculated for changes to the assumptions used in the fair valuation.

- A decrease of 0.5% in the discount rate would result in an increase in the liability of £5.6m.

The University's non-basic financial instruments contain foreign exchange options held by certain US investors, which are required to be recognised at fair value as part of the instrument, in accordance with FRS 102. The options have been assessed as only having a potential fair value when early prepayment of part or whole of the instrument is triggered. The University has conducted significant scenario analysis, based on a base case position of market conditions at the valuation date together with forward rates, assessed as being the best estimate of future rates. The modelling flexed the key variables of UK gilt yields, US treasury yields and the GBP/USD exchange rate to establish whether the options could have a positive impact in the future,

such that a fair value would occur. The conclusion of the analysis is that it would take extreme opposing movements in both UK and US interest rates for the options to have a positive fair value and that this event is highly unlikely, therefore no value has been attributed to the foreign exchange options within the financial instruments.

26. ACCOUNTING JUDGEMENTS

Key judgements used in the preparation of the financial statements are as follows.

Universities Superannuation Scheme

The University participates in the 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 USS. 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 of £140m 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. Council is satisfied that the USS 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.

In the judgement of the University, as the 2023 valuation will be finalised after the year end and there remain various stages of consultation still to be completed around key factors relating to the level of contributions and benefits, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2020 actuarial valuation.

Recognition of pension asset

FRS102 requires the recognition of a pension asset to the extent that a surplus can be recovered through reduced contributions in the future, or through refunds from the plan.

The actuarial valuation for the University of York Pension Fund reported a surplus position at 31 July 2023. The Trust deeds for the fund allow the employer (the University) to terminate its liability to the pay contributions to the Fund at any time. Additionally, the deed permits the employer to suspend its liability to pay contributions to the fund at any time. While the University has a right to a refund, this is conditional on future benefit decisions. While no decisions are currently planned, the University has recognised the surplus in full. Future changes arising from changes in benefits will be accounted for as decisions are made.

Impairment of land and buildings

The University estate is valued on a historical cost basis. The University makes judgements as to whether any indicators of impairment are present for any of the University's assets. Where there is a change

of use or future capital plans, a calculation of the recoverable amount is undertaken and where required, the assets are impaired. In the current year, the University has recognised an impairment of £1.5m, following condition surveys performed on the physical estate, which is recognised in depreciation in the Consolidated statement of income and expenditure. The University has assessed the carrying value of freehold land and buildings of £364m as reasonable.

Consolidated and University statement of comprehensive income and expenditure

	Notes	Consolidated		University	
		Year ended 31 July 2023	Year ended 31 July 2022 Restated	Year ended 31 July 2023	Year ended 31 July 2022 Restated
		£000	£000	£000	£000
Income					
Tuition fees and education contracts	1	256,284	252,799	256,284	252,799
Funding body grants	2	59,459	51,462	59,425	51,462
Research grants and contracts	4	96,769	79,717	96,769	79,717
Other income	5	97,340	85,167	73,855	69,776
Investment income	6	5,634	828	7,056	2,888
Donations and endowments	7	3,189	2,194	3,189	2,194
Total income		518,675	472,167	496,578	458,836
Expenditure					
Staff costs – excluding USS Provision		293,005	253,836	279,386	242,331
Staff costs – USS Provision movement	24	(22,759)	98,638	(22,782)	98,453
Total staff costs	8	270,246	352,474	256,604	340,784
Other operating expenses		198,214	163,146	197,942	164,898
Depreciation and impairment charge	14	32,999	31,067	30,771	28,073
Interest and other finance costs	9	13,175	9,976	11,635	8,407
Total expenditure	10	514,634	556,663	496,952	542,162
Surplus/(deficit) before other gains/(losses) and share of operating surplus of joint ventures		4,041	(84,496)	(374)	(83,326)
(Loss)/gain on disposal of fixed assets		(133)	-	(133)	-
Loss on investments		(358)	(588)	(358)	(588)
Amortisation of goodwill	13	(341)	(341)	(341)	(341)
Gain on valuation of loan notes	23, 33	4,146	62,909	4,146	62,909
Share of operating surplus in joint ventures	17	5,901	2,223	-	-
Surplus/(deficit) before tax		13,256	(20,293)	2,940	(21,346)
Taxation	12	-	-	-	-
Surplus/(deficit) after tax		13,256	(20,293)	2,940	(21,346)
Other comprehensive income					
Pension scheme actuarial gains	35	34,423	69,856	34,423	69,856
Total comprehensive income for the year		47,679	49,563	37,363	48,510
Represented by					
Endowment comprehensive income for the year		(172)	(357)	(172)	(357)
Restricted donations comprehensive income for the year		842	382	842	382
Restricted grants comprehensive income for the year		(2,343)	1,410	(2,343)	1,410
Unrestricted comprehensive income for the year		49,352	48,128	39,036	47,075

All items of income and expenditure relate to continuing activities.

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

Surplus/(deficit) for the year	13,256	(20,293)	2,940	(21,346)
USS provision movement	(22,759)	98,638	(22,782)	98,453
Gain on fair value of loan notes	(4,146)	(62,909)	(4,146)	(62,909)
(Deficit)/surplus for the year excluding USS pension provision	(13,649)	15,436	(23,988)	14,198

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

Consolidated and University statement of changes in reserves

	Income and expenditure reserve				Total Restated £000
	Endowments	Restricted donations	Restricted capital grants	Unrestricted Restated	
	£000	£000	£000	£000	
Consolidated					
Balance at 1 August 2021 (as previously reported)	7,951	10,289	2,662	311,114	332,016
Prior period adjustment	-	-	-	(31,171)	(31,171)
Balance at 1 August 2021 (as restated)	7,951	10,289	2,662	279,943	300,845
(Deficit)/surplus for the year	(357)	382	3,037	(86,264)	(83,202)
Prior period adjustment	-	-	-	62,909	62,909
Pension scheme actuarial gains	-	-	-	69,856	69,856
Release of restricted funds spent in the year	-	-	(1,627)	1,627	-
Total comprehensive income for the year	(357)	382	1,410	48,128	49,563
Balance at 1 August 2022 (as restated)	7,594	10,671	4,072	328,071	350,408
(Deficit)/surplus for the year	(172)	842	500	12,086	13,256
Pension scheme actuarial gains	-	-	-	34,423	34,423
Release of restricted funds spent in the year	-	-	(2,843)	2,843	-
Total comprehensive income for the year	(172)	842	(2,343)	49,352	47,679
Balance at 31 July 2023	7,422	11,513	1,729	377,423	398,087
University					
Balance at 1 August 2021 (as previously reported)	7,951	10,289	2,662	268,605	289,507
Prior period adjustment	-	-	-	(31,171)	(31,171)
Balance at 1 August 2021 (as restated)	7,951	10,289	2,662	237,434	258,336
(Deficit)/surplus for the year	(357)	382	3,037	(87,317)	(84,255)
Prior period adjustment	-	-	-	62,909	62,909
Pension scheme actuarial gains	-	-	-	69,856	69,856
Release of restricted funds spent in the year	-	-	(1,627)	1,627	-
Total comprehensive income for the year	(357)	382	1,410	47,075	48,510
Balance at 1 August 2022 (as restated)	7,594	10,671	4,072	284,509	306,846
(Deficit)/surplus for the year	(172)	842	500	1,770	2,940
Pension scheme actuarial gains	-	-	-	34,423	34,423
Release of restricted funds spent in the year	-	-	(2,843)	2,843	-
Total comprehensive income for the year	(172)	842	(2,343)	39,036	37,363
Balance at 31 July 2023	7,422	11,513	1,729	323,545	344,209

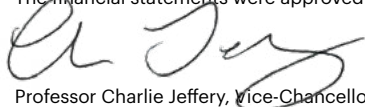
The accompanying notes form an integral part of the financial statements.

Consolidated and University balance sheets

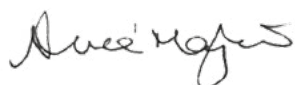
	Notes	Consolidated		University	
		31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
		£000	£000	£000	£000
Assets					
Non-current assets					
Intangible assets	13	1,757	2,098	1,757	2,098
Fixed assets	14	537,416	529,594	442,899	437,130
Heritage assets	15	3,857	3,857	3,857	3,857
Investments	16	6,516	6,811	50,363	50,658
Investments in joint ventures	17	34,906	30,130	5,817	5,817
		584,452	572,490	504,693	499,560
Current assets					
Stock		552	583	250	243
Trade and other receivables	20	75,062	62,841	84,988	79,644
Pension asset	24	52,268	18,039	52,268	18,039
Debtors due after more than one year	19	7,101	7,119	7,101	7,119
Investments	21	79,860	78,215	79,860	78,215
Cash and cash equivalents	27	90,867	115,391	74,058	95,362
		305,710	282,188	298,525	278,622
Less: Creditors: amounts falling due within one year	22	(148,325)	(143,937)	(141,500)	(137,719)
Net current assets		157,385	138,251	157,025	140,903
Total assets less current liabilities		741,837	710,741	661,718	640,463
Creditors: amounts falling due after more than one year	23	(203,271)	(202,325)	(177,282)	(175,861)
Provisions					
Pension provisions	24	(140,479)	(158,008)	(140,227)	(157,756)
Total net assets		398,087	350,408	344,209	306,846
Reserves					
Restricted reserves					
Income and expenditure reserve – endowments	25	7,422	7,594	7,422	7,594
Income and expenditure reserve – restricted donations	26	11,513	10,671	11,513	10,671
Income and expenditure reserve – restricted capital grants	26	1,729	4,072	1,729	4,072
Unrestricted reserves					
Income and expenditure reserve – unrestricted		377,423	328,071	323,545	284,509
Total reserves		398,087	350,408	344,209	306,846

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

The financial statements were approved by Council on 17 January 2024 and were signed on its behalf by:



Professor Charlie Jeffery, Vice-Chancellor and President



Dr Alice Maynard, Chair of Council

Consolidated cash flow statement

	Year ended 31 July 2023	Year ended 31 July 2022 Restated
	£000	£000
Cash flow from operating activities		
Surplus/(deficit) for the year	13,256	(20,293)
Adjustment for non-cash items		
Depreciation	32,999	31,067
Goodwill amortisation	341	341
Loss on investments	358	588
Decrease/(increase) in stock	31	(46)
(Increase) in debtors	(14,714)	(12,673)
Increase in creditors	(383)	11,033
Gain on fair value of loan notes	(4,146)	(62,909)
(Decrease)/increase in pension provisions	(17,335)	85,699
Share of operating (surplus) in joint ventures	(5,901)	(2,223)
Amortisation of residences receipt	(448)	(449)
	(9,198)	50,428
Adjustment for investing or financing activities		
Investment income	(4,288)	(828)
Interest payable	13,175	9,112
Donations and endowments	(3,189)	(2,194)
Profit on sale of fixed assets	133	-
Capital grant income	(2,888)	(3,103)
	2,943	2,987
Net cash inflow from operating activities	7,001	33,122
Cash flows from investing activities		
Proceeds from sales of fixed assets	104	-
Capital grant receipts	5,257	4,570
Receipt from residences transaction	6,000	-
Acquisition of non-current asset investments	(62)	6
Receipts from joint ventures	1,125	1,600
Investment income	3,458	854
New deposits	-	(20,000)
Payments made to acquire fixed assets	(36,323)	(30,595)
Total investing activities	(20,441)	(43,565)
Cash flows from financing activities		
Interest paid	(13,813)	(9,111)
Endowment cash received	3,189	2,194
Repayments of amounts borrowed	(460)	(460)
Total financing activities	(11,084)	(7,377)
(Decrease)/increase in cash and cash equivalents in the year	(24,524)	(17,820)
Cash and cash equivalents at beginning of the year	115,391	133,211
Cash and cash equivalents at the end of the year	90,867	115,391
Increase in cash balances	(24,524)	(17,820)

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 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
Full-time home and EU students	129,004	128,321	129,004	128,321
Full-time international students	97,769	102,155	97,769	102,155
Part-time students	8,850	8,512	8,850	8,512
Other teaching contract course fees	9,053	2,660	9,053	2,660
Research training support grant	7,833	8,276	7,833	8,276
Short courses and other fees	3,775	2,875	3,775	2,875
	256,284	252,799	256,284	252,799

2. Funding body grants

	Consolidated		University	
	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
Office for Students	11,092	10,292	11,092	10,292
Research England	33,402	26,418	33,402	26,418
Specific grants	14,965	14,752	14,931	14,752
	59,459	51,462	59,425	51,462

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 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
Grant income from the OfS	11,092	10,292	11,092	10,292
Specific grant income from the OfS	14,965	14,752	14,931	14,752
Total grant income from the OfS	26,057	25,044	26,023	25,044
Grant income from other bodies	33,402	26,418	33,402	26,418
Fee income for research awards (exclusive of VAT)	25,736	19,448	25,736	19,448
Fee income for non-qualifying courses (exclusive of VAT)	3,775	2,875	3,775	2,875
Fee income for taught awards (exclusive of VAT)	226,773	230,476	226,773	230,476
	315,743	304,261	315,709	304,261

4. Research grants and contracts

	Consolidated		University	
	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
UK-based research councils	43,004	35,247	43,004	35,247
UK-based charities	13,794	11,431	13,794	11,431
UK government bodies, local authorities, health and hospital authorities	22,938	19,263	22,938	19,263
UK industry and commerce	1,687	1,238	1,687	1,238
EU government bodies and similar organisations	10,254	8,063	10,254	8,063
Overseas bodies	5,092	4,475	5,092	4,475
	96,769	79,717	96,769	79,717

The University has recognised £1.8m (2021/22: £1.7m) 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 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
Residences and catering	54,776	46,759	54,776	46,759
Other services rendered	3,328	3,101	3,328	3,101
Specific grant income	6,255	8,439	6,255	8,439
Gift aid receivable	-	-	-	2,130
Other income	9,918	9,348	9,497	9,348
Income from subsidiary companies	23,063	17,520	-	-
	97,340	85,167	73,855	69,776

6. Investment income

	Notes	Consolidated		University	
		Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
		£000	£000	£000	£000
Investment income on endowments	25	159	130	159	130
Investment income on restricted reserves	26	314	88	314	88
Other investment income		5,161	610	6,583	2,670
		5,634	828	7,056	2,888

7. Donations and endowments

	Notes	Consolidated		University	
		Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
		£000	£000	£000	£000
Donations with restrictions	26	2,910	1,989	2,910	1,989
Unrestricted donations		279	205	279	205
		3,189	2,194	3,189	2,194

8. Staff costs

	Notes	Consolidated		University	
		Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
		£000	£000	£000	£000
Salaries		228,484	202,551	216,039	194,998
Social security costs		23,466	20,636	22,671	19,989
Pension costs	35	40,431	30,194	40,052	26,903
Early retirement and severance costs		624	455	624	441
Movement in USS provision	35	(22,759)	98,638	(22,782)	98,453
		270,246	352,474	256,604	340,784

	Year ended 31 July 2023	Year ended 31 July 2022
	£	£
Vice-Chancellor and President, Professor Charlie Jeffery		
Salary and total remuneration	296,507	288,562

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 2023	Year ended 31 July 2022
Vice-Chancellor and President, Professor Charlie Jeffery		
Basic salary ratio	9.63	9.76
Total remuneration ratio	8.99	9.43

Remuneration of other higher paid staff

The number of staff (FTE), including 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 2023			Year ended 31 July 2022		
	Academic	Senior management	Total	Academic	Senior management	Total
£100,000 to £104,999	9	-	9	27	1	28
£105,000 to £109,999	25	-	25	12	1	13
£110,000 to £114,999	15	4	19	14	3	17
£115,000 to £119,999	12	2	14	13	1	14
£120,000 to £124,999	14	-	14	3	3	6
£125,000 to £129,999	6	3	9	2	1	3
£130,000 to £134,999	3	2	5	2	-	2
£135,000 to £139,999	3	2	5	4	-	4
£140,000 to £144,999	2	1	3	-	2	2
£145,000 to £149,999	3	2	5	3	2	5
£150,000 to £154,999	2	1	3	1	-	1
£155,000 to £159,999	2	-	2	-	1	1
£160,000 to £164,999	-	1	1	-	-	-
£170,000 to £174,999	-	1	1	1	-	1
£185,000 to £189,999	-	-	-	-	1	1
£195,000 to £199,999	-	1	1	-	1	1
£205,000 to £209,999	-	1	1	-	-	-
£285,000 to £289,999	-	-	-	-	1	1
£295,000 to £299,999	-	1	1	-	-	-
	96	22	118	82	18	100

Key management personnel

Key management personnel are members of the University Executive Board (UEB) which, until 31 July 2023, comprised the positions listed. These people have the responsibility for planning, organising and directing the activities of the University.

- Vice-Chancellor and President
- Deputy Vice-Chancellor and Provost
- Dean of the Faculty of Sciences
- Dean of the Faculty of Social Sciences
- Dean of the Faculty of Arts and Humanities
- Pro-Vice-Chancellor for Teaching, Learning and Students
- Pro-Vice-Chancellor for Research
- Pro-Vice-Chancellor for Partnerships and Engagement
- Pro-Vice-Chancellor for Global Strategy (until April 2027)
- Chief Operating Officer
- Finance Director
- Academic Registrar
- Director of Technology, Estates and Facilities
- Director of External Relations.

Key management personnel compensation

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

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Key management personnel compensation	2,752	2,797

	Year ended 31 July 2023	Year ended 31 July 2022
	Number	Number
Members of University Executive Board (FTE)	13.25	14.25

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 2023	Year ended 31 July 2022
	£000	£000
University	624	441
Subsidiary undertakings	0	14
	624	455

	Year ended 31 July 2023	Year ended 31 July 2022
	Number	Number
University	82	75
Subsidiary undertakings	0	2
	82	77

Average staff numbers (FTE) by major category

	Year ended 31 July 2023	Year ended 31 July 2022
	Number	Number
Academic	2,170	2,031
Support	2,934	2,672
	5,104	4,703

Notes to the accounts (continued)

9. Interest and other finance costs

	Notes	Consolidated		University	
		Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
		£000	£000	£000	£000
Loan interest		8,586	8,588	7,055	7,020
Net charge from UoYPPF					
– benefit interest costs	24	6,834	4,159	6,834	4,159
– interest income	24	(7,507)	(3,295)	(7,507)	(3,295)
Net charge from USS provision	24	5,262	524	5,253	523
		13,175	9,976	11,635	8,407

10. Analysis of total expenditure by activity

	Notes	Consolidated		University	
		Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
		£000	£000	£000	£000
Academic and related expenditure		197,764	173,356	197,764	173,355
Academic Services		38,475	36,836	38,475	36,836
Administration and central services		77,834	73,213	79,956	73,213
Premises (including service concession cost)		37,855	33,299	36,935	33,665
Residences, catering and conferences		58,306	42,609	52,736	39,584
Research grants and contracts		60,596	56,164	60,596	56,164
Other expenses		53,387	32,572	41,637	22,485
Interest payable		13,175	9,976	11,635	8,407
		537,393	458,025	519,734	443,709
Movement in USS provision	24	(22,759)	98,638	(22,782)	98,453
		514,634	556,663	496,952	542,162

	Consolidated	
	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Other operating expenses include:		
Group external auditor's remuneration in respect of audit services	258	164
Group external auditor's remuneration in respect of non-audit services	13	116
Subsidiary external auditor's remuneration in respect of audit services	74	70
Internal auditor's remuneration in respect of internal audit services	170	119
Operating lease rentals		
– Land and buildings	1,033	710
– Other	331	229

11. Access and participation expenditure

	Consolidated		University	
	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
Access investment	2,615	2,335	2,615	2,335
Financial support	6,455	6,686	6,455	6,686
Support for disabled students	672	583	672	583
Research and evaluation	351	353	351	353
Total	10,093	9,957	10,093	9,957

The amount spent on access and participation includes staff costs amounting to £2,559,000 (2021/22: £2,094,000). These staff costs are included in the University costs reported in Note 8.

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.

12. Taxation

The University does not have a tax charge in 2022/23 or 2021/22.

13. Intangible assets

	Consolidated		University	
	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
At 1 August 2022	2,098	2,439	2,098	2,439
Amortisation	(341)	(341)	(341)	(341)
At 31 July 2023	1,757	2,098	1,757	2,098

In 2018/19 the University purchased 50% of Student Accommodation Provision 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	Leasehold land and buildings	Equipment	Assets in the course of construction	Total
	£000	£000	£000	£000	£000
Consolidated					
Cost					
At 1 August 2022	530,356	125,811	153,741	18,871	828,779
Additions	4,598	-	8,069	28,391	41,058
Disposals	(247)	-	(218)	-	(465)
Transfers	8,526	-	11,951	(20,477)	-
At 31 July 2023	543,233	125,811	173,543	26,785	869,372
Depreciation					
At 1 August 2022	159,270	28,447	111,468	-	299,185
Disposals	(104)	-	(124)	-	(228)
Charge for the year	18,355	3,006	10,159	-	31,520
Impairment charge	1,479	-	-	-	1,479
At 31 July 2023	179,000	31,453	121,503	-	331,956
Net book value					
At 31 July 2023	364,233	94,358	52,040	26,785	537,416
At 31 July 2022	371,086	97,364	42,273	18,871	529,594

Notes to the accounts (continued)

	Freehold land and buildings £000	Leasehold land and buildings £000	Equipment £000	Assets in the course of construction £000	Total £000
University					
Cost					
At 1 August 2022	447,541	126,476	125,534	10,457	710,008
Additions	3,313	-	7,717	25,708	36,738
Disposals	(247)	-	(162)	-	(409)
Transfers	4,211	-	6,555	(10,766)	-
At 31 July 2023	454,818	126,476	139,644	25,399	746,337
Depreciation					
At 1 August 2022	146,099	29,100	97,679	-	272,878
Disposals	(106)	-	(105)	-	(211)
Charge for the year	16,498	3,669	9,125	-	29,292
Impairment charge	1,479	-	-	-	1,479
At 31 July 2023	163,970	32,769	106,699	-	303,438
Net book value					
At 31 July 2023	290,848	93,707	32,945	25,399	442,899
At 31 July 2022	301,442	97,376	27,855	10,457	437,130

15. Heritage assets

	Consolidated		University	
	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000	£000	£000
At 1 August 2022	3,857	3,857	3,857	3,857
Movement in fair values	-	-	-	-
At 31 July 2023	3,857	3,857	3,857	3,857

Heritage assets comprise approximately 800 artworks across various media, together with library acquisitions and silverware. The collection was revalued at 31 July 2021 on an open market basis by a qualified external valuer specialising in fine art.

16. Investments

	Subsidiary companies £000	Other fixed assets £000	Total £000
Consolidated			
At 1 August 2022	-	6,811	6,811
Movement in fair values	-	(295)	(295)
At 31 July 2023	-	6,516	6,516
University			
At 1 August 2022	43,849	6,809	50,658
Movement in fair values	-	(295)	(295)
At 31 July 2023	43,849	6,514	50,363

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 ¹	100% owned	Provision of software, training and conferences services to the health sector
The Biorenewables Development Centre Ltd ¹	100% owned	Development of biorefinery technology and letting of accommodation
York Commercial Ltd ¹	100% owned	Provision of vacation conference facilities and retail activities
York Health Economics Consortium Ltd ²	100% owned	Consultancy and research in the health sector
York Science Park Ltd ¹	100% owned	Letting of accommodation
York Sports Village LLP ¹	100% owned	Provision of sports facilities
York University Property Company Ltd ¹	100% owned	Letting of accommodation and investment activities
York University Energy Supply Company Ltd ¹	100% owned	Supply of utilities
Student Accommodation Provision Three LLP ¹	100% owned	Letting of accommodation

¹Registered office: Heslington Hall, Heslington, York YO10 5DD
²Registered office: Enterprise House, Heslington, York YO10 5NQ

On 1 August 2023 the trade and assets of York Sports Village LLP were hived up into the University.

17. Investments in joint ventures

	31 July 2023	31 July 2022
	£000	£000
Consolidated		
Share of net assets		
At 1 August 2022	30,130	29,507
Distribution of profits from joint ventures	(1,125)	(1,600)
Share of operating profit after tax	5,901	2,223
At 31 July 2023	34,906	30,130

	31 July 2023	31 July 2022
	£000	£000
University		
Historic cost		
At 1 August 2022	5,817	5,817
Movement	-	-
At 31 July 2023	5,817	5,817

The below undertakings are joint ventures at 31 July 2023. The joint ventures are accounted for using the equity method, such that the University percentage share of the companies' gross assets and liabilities is incorporated into the Consolidated balance sheet. The University percentage share of net income is reported in the Consolidated statement of income and expenditure.

Undertaking	Status	Principal activity
STEM Learning Ltd ¹	25% owned	Operation of National Science Learning Centre
Student Accommodation Provision LLP ²	50% owned	Provision of student accommodation
Student Accommodation Provision Two LLP ²	50% owned	Provision of student accommodation
N8 Ltd ³	13% owned	Provision of education and research
Biovale Ltd ⁴	Limited by guarantee	Promotion and development of biorenewables
University of York International Pathway College LLP ¹	55% owned	Provision of education

¹Registered office: Heslington Hall, Heslington, York YO10 5DD
²Registered office: The Cursitor, 38 Chancery Lane, London WC2A 1EN
³Registered office: Firth Court, Sheffield S10 2TN
⁴Registered office: 1 Hassacarr Close, York YO19 5SN

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.

Notes to the accounts (continued)

18. Service concession arrangements

The University has a service concession arrangement with Civitas Living LLP for the provision of student residential accommodation services. In 2019 the University entered into a 50-year contract with Civitas Living LLP for the provision of residential accommodation services.

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

The University has the right to nominate rooms each January for the following academic year. The current asset value of the service concession in the balance sheet as at 31 July 2023 is £11.3m (2022: £10.5m). The total liabilities relating to the service concession in the balance sheet as at 31 July 2023 are £11.3m (2022: £10.5m), representing the present value of lease obligations for the following academic year. All future commitments in relation to the service concession arrangement are payable within one year.

19. Debtors due after more than one year

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Prepayments and accrued income	7,101	7,119	7,101	7,119
	7,101	7,119	7,101	7,119

20. Trade and other receivables

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Research grant receivables	18,536	16,653	18,536	16,653
Other trade receivables	14,252	10,999	13,328	10,241
Amounts due from subsidiary companies	-	-	13,269	19,684
Prepayments and accrued income	42,274	35,189	39,855	33,066
	75,062	62,841	84,988	79,644

Amounts owed from subsidiary companies fall due in line with the normal trading terms of the University.

21. Current investments

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Certificates of deposit and corporate bonds	40,388	39,184	40,388	39,184
Short-term fixed income securities	39,472	39,031	39,472	39,031
	79,860	78,215	79,860	78,215

Short-term investments are held with institutions operating in the London market and regulated by the Financial Services Authority. These short-term investments do meet the definition of cash equivalents. The interest rates for the short-term deposits are fixed for the duration of the deposit at the time of placement. The weighted average interest rate for these deposits is 4.56% (2022: 1.45%).

22. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Unsecured loans	460	460	(15)	(15)
Trade payables	21,754	24,112	21,305	22,493
Social security and other taxation payable	6,287	6,100	6,456	6,666
Accruals and deferred income	119,824	113,265	112,659	107,816
Amounts due to subsidiary companies	-	-	1,095	759
	148,325	143,937	141,500	137,719

Amounts payable to subsidiary companies fall due in line with the normal trading terms of the University. 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 2023	31 July 2022	31 July 2023	31 July 2022
	£000	£000	£000	£000
Deferred income				
Research grants received on account	52,817	54,137	52,817	54,137
Specific grant income	18,449	16,292	18,449	16,292
	71,266	70,429	71,266	70,429

23. Creditors: amounts falling due after one year

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Other long-term creditors	27,488	21,936	27,488	21,936
Loan notes at amortised cost	105,667	106,127	79,678	79,663
Loan notes at fair value	70,116	74,262	70,116	74,262
	203,271	202,325	177,282	175,861

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Loan maturity analysis for loans held at amortised cost				
Due within one year	460	460	(15)	(15)
Due between one and two years	631	460	(15)	(15)
Due between two and five years	2,064	2,007	(46)	(46)
Due in five years or more	102,972	103,660	79,739	79,724
Total due after more than one year	105,667	106,127	79,678	79,663
Total loans	106,127	106,587	79,663	79,648

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 and as a result, the University has received £29m. The amount received is being amortised over 65 years, being the life of the arrangement. This is included in other long-term creditors.

The negative value for unsecured loans represents the amortisation of costs incurred with the 2007 loan notes. Details of the loans are set out below:

	Interest rate	Period Years	Expected end date	£000
University				
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	(337)
University total				185,663
Aviva SAP 3 loan	Fixed at 5.79%	36	September 2049	26,727
Capitalisation of costs of Aviva SAP 3 loan		36	September 2049	(263)
Consolidated total				212,127

£106m of the £120m 2018 loan notes are carried at fair value at each year end (see Notes 29 and 33).

Notes to the accounts (continued)

24. Provisions for liabilities

	Universities Superannuation Scheme £000	University of York Pension Fund £000	Total pensions provisions £000
Consolidated			
At 1 August 2022	158,008	(18,039)	139,969
Deficit contributions and changes in expected contributions	(22,782)	-	(22,782)
Interest	5,253	(673)	4,580
Contributions or benefits payable	-	(3,847)	(3,847)
Current service cost	-	4,066	4,066
Other finance charges	-	648	648
Movement in defined benefit obligation	-	(34,423)	(34,423)
Liability/(asset) as at 31 July 2023	140,479	(52,268)	88,211
Reclassification to Non-current assets	-	52,268	52,268
At 31 July 2023	140,479	-	140,479

	Universities Superannuation Scheme £000	University of York Pension Fund £000	Total pensions provisions £000
University			
At 1 August 2022	157,756	(18,039)	139,717
Deficit contributions and changes in expected contributions	(22,782)	-	(22,782)
Interest	5,253	(673)	4,580
Contributions or benefits payable	-	(3,847)	(3,847)
Current service cost	-	4,066	4,066
Other finance charges	-	648	648
Movement in defined benefit obligation	-	(34,423)	(34,423)
Liability/(asset) as at 31 July 2023	140,227	(52,268)	87,959
Reclassification to Non-current assets	-	52,268	52,268
At 31 July 2023	140,227	-	140,227

Details of the pension schemes and their provisions can be found in Note 35.

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 35.

25. Endowment reserves

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2023 Total £000	2022 Total £000
Consolidated and University				
Balances at 1 August 2022				
Capital	5,893	1,016	6,909	7,286
Accumulated income	672	13	685	665
	6,565	1,029	7,594	7,951
New endowments	81	-	81	140
Investment income	138	21	159	130
Expenditure	(100)	(6)	(106)	(119)
(Decrease)/Increase in market value of investments	(306)	-	(306)	(508)
Total endowment comprehensive income for the year	(187)	15	(172)	(357)
At 31 July 2023	6,378	1,044	7,422	7,594
Represented by				
Capital	5,668	1,029	6,697	6,909
Accumulated income	710	15	725	685
	6,378	1,044	7,422	7,594

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	31 July 2023 £000	31 July 2022 £000
Analysis by type of purpose				
Scholarships and bursaries	4,937	-	4,937	5,083
Research support	182	-	182	189
Prize funds	1,073	-	1,073	1,100
General	186	1,044	1,230	1,222
	6,378	1,044	7,422	7,594

	31 July 2023 £000	31 July 2022 £000
Analysis by asset		
Non-current asset investments	6,448	6,743
Cash and cash equivalents	974	851
	7,422	7,594

26. Restricted reserves

	Restricted donations £000	Unspent capital grants £000	2023 Total £000	2022 Total £000
Consolidated and University				
Balances at 1 August 2022				
New grants	-	500	500	3,037
New donations	2,910	-	2,910	1,989
Investment income	314	-	314	88
Expenditure	(2,382)	-	(2,382)	(1,695)
Capital grants utilised	-	(2,843)	(2,843)	(1,627)
Total restricted comprehensive income for the year	842	(2,343)	(1,501)	1,792
At 31 July 2023	11,513	1,729	13,242	14,743

Notes to the accounts (continued)

	31 July 2023	31 July 2022
	£000	£000
Analysis of restricted donations by type of purpose		
Lectureships	164	109
Scholarship and bursaries	6,983	6,189
Research support	3,332	3,528
Prize funds	162	165
General	872	680
	11,512	10,671

27. Cash and cash equivalents

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£000	£000	£000	£000
At 1 August 2022 (as previously reported)	193,606	191,566	173,577	176,384
Prior period adjustment	(78,215)	(58,355)	(78,215)	(58,355)
At 1 August 2022 (as restated)	115,391	133,211	95,362	118,029
Movement	(24,524)	(17,820)	(21,304)	(22,667)
At 31 July 2023	90,867	115,391	74,058	95,362
Cash	67,367	85,891	50,558	65,862
Cash equivalents	23,500	29,500	23,500	29,500
	90,867	115,391	74,058	95,362

28. Reconciliation of net debt

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£000	£000	£000	£000
Net (debt) at 1 August 2022 (as previously reported)	(18,981)	(21,481)	(12,071)	(9,249)
Prior period adjustment	(46,477)	(89,526)	(46,477)	(89,526)
At 1 August 2022 (as restated)	(65,458)	(111,007)	(58,548)	(98,775)
Movement in cash and cash equivalents	(24,524)	(17,820)	(21,304)	(22,667)
Loans repaid	460	460	(15)	(15)
Movement in fair value of loan notes	4,146	62,909	4,146	62,909
Change in net debt	(19,918)	45,549	(17,173)	40,227
Net (debt) at 31 July 2023	(85,376)	(65,458)	(75,721)	(58,548)

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£000	£000	£000	£000
Analysis of net debt				
Cash and cash equivalents	90,867	115,391	74,058	95,362
Creditors: amounts falling due within one year	(460)	(460)	15	15
Creditors: amounts falling due after more than one year	(175,783)	(180,389)	(149,794)	(153,925)
Net debt	(85,376)	(65,458)	(75,721)	(58,548)

29. Financial instruments

	Consolidated		University	
	31 July 2023	31 July 2022 Restated	31 July 2023	31 July 2022 Restated
	£000	£000	£000	£000
Financial assets				
Other investments at fair value	6,516	6,811	6,514	6,809
Joint venture investments at cost	34,906	30,130	-	-
Investments at cost	-	-	5,817	5,817
Trade and other receivables at cost	32,778	27,652	31,864	26,894
Current asset investments at fair value	79,860	78,215	79,860	78,215
Cash and cash equivalents at cost	90,867	115,391	74,058	95,362
	244,927	258,199	198,113	213,097
Financial liabilities				
Trade payables at cost	(21,754)	(24,112)	(21,305)	(22,493)
Loans at cost	(106,127)	(106,587)	(79,663)	(79,648)
Loans at fair value	(70,116)	(74,262)	(70,116)	(74,262)
	(197,997)	(204,961)	(171,084)	(176,403)

30. Capital and other commitments

	Consolidated		University	
	31 July 2023	31 July 2022	31 July 2023	31 July 2022
	£000	£000	£000	£000
Provision has not been made for the following capital commitments:				
Commitments contracted for	14,096	8,964	13,178	5,583
Authorised but not contracted for	25,807	39,860	25,398	38,310
	39,903	48,824	38,576	43,893

31. Contingent assets and liabilities

There were no contingent liabilities as at 31 July 2023.

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

32. Lease obligations

	Land and buildings	Plant and machinery	2023	2022
			Total	Restated Total
	£000	£000	£000	£000
Consolidated and University				
Total rentals payable under operating leases				
Payable during the year	1,033	331	1,364	999
Future minimum lease payments due				
Not later than one year	1,147	257	1,404	1,159
Later than one year and not later than five years	4,162	434	4,596	3,721
Later than five years	61,552	-	61,552	68,696
Total lease payments due	66,861	691	67,551	73,576

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.

Notes to the accounts (continued)

33. Prior period adjustments

The pension asset of £18m as at 31 July 2022 (see Note 24), has been reclassified from Debtors due after more than one year in non-current assets to the face of the balance sheet, due to the significant value of the surplus position. Additionally, the asset is now reported in current assets, alongside the remaining balance of debtors due after more than one year.

The changes to the consolidated balance sheet as at 31 July 2022 are summarised below. The changes have not resulted in a change to the consolidated total net assets or total comprehensive income for the year.

	Prior to restatement 31 July 2022	Movement	Restated 31 July 2022
	£000		£000
Consolidated balance sheet			
Non-current assets			
Debtors due after more than one year	25,158	(25,158)	-
Current assets			
Pension assets	-	18,039	18,039
Debtors due after more than one year	-	7,119	7,119

Current asset investments

The accounts have further been restated to incorporate the reclassification of current asset investments from cash and cash equivalents. A review of the University's investments concluded that certain investments did not meet the criteria to be recognised as cash and cash equivalents. The reclassification has resulted in investments of £78.2m as at 31 July 2022 being recognised in current asset investments with a corresponding reduction in cash and cash equivalents.

The change to the consolidated balance sheet as at 31 July 2022 is summarised below. The change has not resulted in a change to the consolidated total net assets or total comprehensive income for the year.

	Prior to restatement 31 July 2022	Movement	Restated 31 July 2022
	£000		£000
Consolidated balance sheet			
Current assets			
Investments	-	78,215	78,215
Cash and cash equivalents	193,606	(78,215)	115,391

Loan notes

£106m of the £120m 2018 loan notes issued by the University have been reassessed as non-basic instruments and are therefore required to be recognised at fair value rather than amortised cost.

The impact has been to recognise a fair value movement through the statement of comprehensive income of £62.9m for both the University and Consolidated position. £106m of debt due after one year has also been restated to a fair value of £74.2m. The changes to the consolidated results are summarised below.

	Prior to restatement 31 July 2022	Movement	Restated 31 July 2022
	£000		£000
Consolidated statement of comprehensive income			
Gain on fair value of loan notes	-	62,909	62,909
Total comprehensive income for the year	(13,346)	62,909	49,563
Consolidated balance sheet			
Creditors: amounts falling due after one year	234,063	(31,738)	202,325
Total net assets	318,670	31,738	350,408
Income and expenditure reserve – unrestricted	296,333	31,738	328,071
Total reserves	318,670	31,738	350,408

34. Events after the reporting period

The trade and assets of York Sports Village LLP, a subsidiary of the University, were hived up into the University as of 1 August 2023. As at 31 July 2023, the subsidiary reported income of £2.1m and a net loss for the year of £1.4m. Additionally, the company reported net assets of £14.1m, including £15.1m of fixed assets which were transferred to the University at book value.

35. Pension schemes

The University operates two defined benefit pension schemes, the University of York Pension Fund (UoYPF) 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 2023	31 July 2022	31 July 2023	31 July 2022
	£000	£000	£000	£000
Total pension cost for the University and its subsidiaries				
Universities Superannuation Scheme contributions	34,300	30,349	34,226	28,276
University of York Pension Fund current service cost	4,066	8,833	4,066	8,833
University of York Pension Fund past service cost	-	(10,752)	-	(10,752)
NHS Pension Scheme contributions	175	156	175	156
The People's Pension contributions	1,890	1,608	1,585	1,350
	40,431	30,194	40,052	27,863
Universities Superannuation Scheme deficit contributions and changes in expected contributions	(18,820)	98,638	(18,843)	98,453
	21,611	128,832	21,210	126,316

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.

CPI assumption 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

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

Discount rate Fixed interest gilt yield curve plus pre-retirement 2.75% per annum and post-retirement 1.00% per annum

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:

Mortality base table 101% of S2PMA "light" for males and 95% of S3PFA for females

Future improvements to mortality CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% per annum and a long-term improvement rate of 1.8% per annum for males and 1.6% per annum for females

The current life expectancy assumptions on retirement at 65 are:

	Year ended 31 July 2023	Year ended 31 July 2022
Males currently aged 65	24.0 years	23.9 years
Females currently aged 65	25.6 years	25.5 years
Males currently aged 45	26.0 years	25.9 years
Females currently aged 45	27.4 years	27.3 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 2023	Year ended 31 July 2022
Discount rate	5.49%	3.33%
Pensionable salary growth	3.83%	2.80%

Notes to the accounts (continued)

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.

The provision for the deficit (see Note 24) has been calculated by applying a full annual discount rate, whereas deficit contributions are paid monthly. Applying monthly discount rates to the provision calculation would reduce the provision by £3.8m.

Sensitivity analysis is provided below, based on possible changes of the assumptions occurring at 31 July 2023.

The sensitivities have been derived in the same manner as the defined benefit obligation as at 31 July 2023. The sensitivities are calculated by changing each assumption with all other things held constant.

- A decrease in the discount rate by 0.5% per annum from 5.49% to 4.99% leads to an increase in the provision of £5.1m at 31 July 2023.
- An increase in the combined growth in future payroll costs for inflation, pay rises or additional staff by 1.0% per annum leads to an increase in the provision of £10.5m at 31 July 2023.

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

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Analysis of the amount shown in the balance sheet		
Scheme assets	218,264	222,261
Scheme liabilities	(165,996)	(204,222)
Surplus in the scheme – net pension asset	52,268	18,039
Analysis of the amount shown in the statement of comprehensive income		
Current service cost	4,066	8,833
Past service (credit)	-	(10,752)
Administration expenses	648	457
Total operating charge	4,714	(1,462)
Analysis of the amount charged to interest payable/credited to other finance income		
Interest cost	6,834	4,159
Interest income	(7,507)	(3,295)
Net charge to other finance income	(673)	864
Total income and expenditure charge	4,041	(598)
Analysis of other comprehensive income/(expenditure)		
Actual return of assets less interest	(8,592)	(1,101)
Actuarial gains on defined benefit obligation	43,015	70,957
Total other comprehensive income/(expenditure)	34,423	69,856
Cumulative actuarial loss recognised as other comprehensive income		
Cumulative actuarial gains/(losses) recognised at the start of the year	34,346	(35,510)
Cumulative actuarial gains/(losses) recognised at the end of the year	68,769	34,346
Analysis of movement in surplus		
Surplus/(deficit) at beginning of year	18,039	(65,280)
Contributions or benefits paid by the University	3,847	3,865
Additional payment from the University in line with Schedule of Contributions	-	9,000
Current service cost	(4,066)	(8,833)
Past service credit	-	10,752
Other finance charge	(648)	(457)
Net interest income/(cost)	673	(864)
Gain recognised in other comprehensive income	34,423	69,856
Surplus at end of year	52,268	18,039

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
Analysis of movement in the present value of liabilities		
Present value of liabilities at the start of the year	(204,222)	(279,167)
Current service cost (net of member contributions)	(4,066)	(8,833)
Past service credit	-	10,752
Interest cost	(6,834)	(4,159)
Actual member contributions (including notional contributions)	(337)	(233)
Actuarial gain	43,015	70,957
Actual benefit payments	6,448	6,461
Present value of liabilities at the end of the year	(165,996)	(204,222)
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	222,261	213,887
Interest income	7,507	3,295
Actual (loss) on assets	(8,592)	(1,101)
Actual contributions paid by the University	3,847	3,865
Payment by the University	-	9,000
Actual member contributions (including notional contributions)	337	233
Administration expenses	(648)	(457)
Actual benefit payments	(6,448)	(6,461)
Fair value of scheme assets at the end of the year	218,264	222,261
Fair values of the assets of the fund		
Equities	110,350	152,471
Bonds	61,399	17,324
Real estate	37,142	46,073
Cash	9,373	6,393
Total	218,264	222,261
Return on assets		
Interest income	7,507	3,295
Return on assets less interest income	(8,592)	(1,101)
Total	(1,085)	2,194

	Year ended 31 July 2023	Year ended 31 July 2022
History of experience gains and losses		
Difference between actual and expected return on scheme assets		
Amount (£000)	(8,592)	(1,101)
% of assets at end of year	(3.94%)	(0.5%)
Experience losses on scheme liabilities	(4,735)	(6,748)

Notes to the accounts (continued)

	Year ended 31 July 2023	Year ended 31 July 2022
Significant actuarial assumptions		
Discount rate	5.20%	3.40%
Rate of salary increases	3.70%	3.70%
Rate of price inflation (CPI)	2.80%	2.80%
Rate of pension increases:		
Post 88 GMP	2.05%	2.35%
Non-GMP Final	2.90%	2.80%
CRB Section pension	2.05%	2.80%
Post-retirement mortality assumption	S3NMA/S3NFA base table with a +1 year age rating, CMI 2022 projection model with a long-term improvement rate of 1.25% p.a	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.
Assumed life expectancy on retirement at age 65		
Male aged 65	21.2 years	21.3 years
At age 65 a male aged 45	22.4 years	22.6 years
Female aged 65	23.6 years	23.8 years
At age 65 a female aged 45	25.0 years	25.1 years

In the year ended 31 July 2022, the University recognised a curtailment gain of £10.8m following the closure of the final salary section of the Fund effective 31 March 2022.

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

- If the discount rate assumption is decreased by 0.5% per annum then the pension surplus at 31 July 2023 decreases by £12m.
- The Fund's past service benefits are no longer linked to salary increases, therefore any change in salary increase assumption would not have an impact on the net pension surplus.

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 2023 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 2023 were at a rate of 6% of pensionable salary.

36. 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	2,736	1,500	12	-
Student Accommodation Provision LLP	536	4,031	372	-
Student Accommodation Provision Two LLP	804	4,797	592	-
STEM Learning Ltd	893	125	671	-
N8 Ltd	-	73	-	-

37. 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 is a non-executive director of the Institute for Small Business and Entrepreneurship.

Institute of Physics Publishing

Institute of Physics Publishing produces a wide range of journals, websites and magazines for the scientific community. One member of Council is a non-executive director of Institute of Physics Publishing.

Kortext Ltd

Kortext Ltd is an online learning platform provider and publisher of digital textbooks. One member of Council is an advisory board director.

Maastricht University

Maastricht University is a public research university located in Maastricht, Netherlands. The University of York and Maastricht University are in a partnership. Two members of the University Executive Board and Council are Board members 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 and one member of Council are directors of Make it York.

National Institute for Health and Care Research

The National Institute for Health and Care Research (NIHR) is the government's main funder of clinical, public health, social care and translational research. One member of council is a programme director of NIHR.

National Trust

The National Trust is a charity and membership organisation for heritage conservation. One member of Council is a trustee of the National Trust.

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 is a director of the North Eastern Universities Purchasing Consortium.

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.

Science Museum Group

The Science Museum Group consists of five British museums. One member of Council is a board member of the group.

Universities UK

Universities UK is the collective voice of 142 universities across the UK. One member of the University Executive Board and Council is a director of Universities UK

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.

University of York Students' Union

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

Notes to the accounts (continued)

Worldwide Universities Network

The Worldwide Universities Network 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 £000	Expenditure £000	Balance due to the University £000	Balance due from the University £000
Graduate Students' Association	11	30	-	-
Institute for Small Business and Entrepreneurship	-	1	-	-
Institute of Physics Publishing	-	85	-	-
Kortext Ltd	-	300	-	-
Maastricht University	-	41	-	-
Make it York	-	9	-	-
National Institute for Health and Care Research	164	-	4	-
National Trust	2	-	2	-
North Eastern Universities Purchasing Consortium	-	10	-	-
PwC UK	-	199	-	-
Universities UK	-	124	-	73
University of York in America	566	13	-	-
University of York Students' Union	215	2,181	6	54
Worldwide Universities Network	21	59	-	-
Yorkshire Universities	1	27	-	-

The total expenses paid to 11 (2022: 5) Council members was £11,890 (2022: £2,269). 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 lay members of Council.

38. 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 2023	Year ended 31 July 2022 Restated
	£000	£000
Primary Reserve ratio		
Expendable net assets		
Net assets without donor restrictions [Balance sheet total (£377,226) less Net assets with donor restrictions (below)]	378,467	329,100
Net assets with donor restrictions [Financial Statements Note 25 line 9 (£6,378) plus Financial Statements Note 26 line 8 (£13,242)]	19,620	21,308
Perpetual funds with donor restrictions [Financial Statements Note 25 line 9 (£6,378)]	(6,378)	(6,565)
Property, plant and equipment – pre-implementation [Financial Statements Note 14 line 12 Freehold land and buildings (£371,086) plus Leasehold land and buildings (£97,364) plus Equipment (£42,273)]	(510,723)	(514,120)
Property, plant and equipment – post-implementation [Financial Statements Note 14 line 11, Freehold land and buildings (£364,233) plus Leasehold land and buildings (£94,358) plus Equipment (£52,040) minus Property, Plant and Equipment – pre-implementation (above)]	92	(3,397)
Construction in progress [Financial Statements Note 14 line 11 (£26,785)]	(26,785)	(18,871)
Goodwill, intangible assets [Balance sheet line 1 (£1,757)]	(1,757)	(2,098)
Post-employment and pension liabilities [Balance sheet line 18 Pension provisions (£140,479) less Balance sheet line 6, Pension asset (£52,268)]	88,211	139,969
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 22 line 1 (£460) plus Financial Statements Note 23 line 2 (£105,667) and line 3 (£70,116)]	176,243	180,849
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 23 line 1 (£27,488)]	27,488	21,936
Total expendable net assets	144,478	148,111

	Year ended 31 July 2023	Year ended 31 July 2022 Restated
	£000	£000
Total expenses and losses		
Total operating expenses without donor restrictions [Financial Statements Note 10 line 11 (£514,634) less Financial Statements Note 10 line 8 (£13,175) less Financial Statements Note 25 line 6 (£100) less Financial Statements Note 26 line 5 (£2,382) less Financial Statements Note 26 line 6 (£2,843)]	496,134	543,250
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 (£5,634) plus SOCI* line 16 (-£133) plus SOCI* line 17 (-£358) plus SOCI* line 18 (-£341) plus SOCI* line 19 (£4,146) plus SOCI* line 20 (£5,901) plus SOCI* line 24 (£34,423)] less Financial Statements Note 25 line 5 (£138) less Financial Statements Note 26 line 4 (£314) less Financial Statements Note 25 line 7 (-£306) less Financial Statements Note 9 line 5 (£13,175)]	35,951	125,219

	Year ended 31 July 2023	Year ended 31 July 2022 Restated
	£000	£000
Investment return appropriated for spending and Investments, net of annual spending, gain/(loss) [SOCl* line 5 (£5,634) plus SOCl* line 16 (-£133) plus SOCl* line 17 (-£358) less Financial Statements Note 25 line 5 (£138) less Financial Statements Note 25 line 7 (-£306) less Financial Statements Note 26 line 4 (£314)]	(4,997)	(548)
Pension-related changes other than periodic pension [SOCl* line 24 (£34,423)]	(34,423)	(69,856)
Total expenses and losses	492,665	598,065

*SOCl – Statement of comprehensive income

	Year ended 31 July 2023	Year ended 31 July 2022 Restated
	£000	£000
Equity ratio		
Modified net assets		
Net assets without donor restrictions [SOPF* line 23 (£377,423) plus Financial Statement Note 25 line 9 Unrestricted permanent endowments (£1,044)]	378,467	329,100
Net assets with donor restrictions [Financial Statements Note 25 line 9 (£6,378), plus Financial Statements Note 26 line 8 (£13,242)]	19,620	21,308
Goodwill, intangible assets [SOPF* line 1 (£1,757)]	(1,757)	(2,098)
Total modified net assets	396,330	348,310
Modified assets		
Total assets [SOPF* line 8 (£643,821) plus SOPF* line 13 (£246,341) less SOPF* line 6 (£52,268)]	837,894	836,639
Goodwill, intangible assets [SOPF* line 1 (£1,757)]	(1,757)	(2,098)
Total modified assets	836,137	834,541

*SOPF = Statement of Financial Position, Balance Sheet

	Year ended 31 July 2023	Year ended 31 July 2022 Restated
	£000	£000
Net income ratio calculation		
Change in Net assets without donor restrictions [SOCl* line 25 (£47,679), less total of: (Note 25 of Financial statements line 5 (£138), plus Note 26 of Financial statements line 4 (£314), plus Note 25 of Financial statements line 6 (-£100), plus Note 25 of Financial statements line 4 (£81), plus Note 26 of Financial statements line 3 (£2,910) plus Note 26 of Financial Statements line 2 (£500)), plus Note 25 of Financial statements line 7 (£306), plus Note 26 of Financial Statements line 5 (£2,382) and line 6 (£2,843)]	49,367	48,142
Total operating revenues [SOCl* line 7 (£518,675), less line 5 (£5,634), less Note 25 of Financial statements line 4 (£81) less Note 26 line 2 (£500) and line 3 (£2,910)]	509,550	466,173

*SOCl – Statement of comprehensive income

WITH THANKS

Thank you to the entire community of students, staff, alumni, donors and volunteers who contributed to the University of York in 2022/23.

Front cover image: Postgraduate students in front of Heslington Hall
Photography: Alex Holland

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