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YORK
ST JOHN
UNIVERSITY



FINANCIAL
REPORT
2019–20



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Dame Julia Unwin
Chair and Pro Chancellor

Foreword from the Chair of Governors and Pro Chancellor

It is a great privilege for me to have been appointed as the new Chair of the Governing Body at York St John University and, in that capacity, to be introducing our annual financial report following one of the most extraordinary years in this institution's 180 year history.

Even before the coronavirus pandemic reframed the way we see the world around us, our University entered the third decade of the 21st century in a period of evolution. At the end of 2019 we bid farewell to our former Vice Chancellor, Professor Karen Stanton, who helped York St John to modernise, grow and reaffirm its social justice mission. We marked the retirement of our inimitable Chancellor, the Archbishop of York, Dr John Sentamu. We prepared to welcome our new Chancellor, Reeta Chakrabarti, and new Vice Chancellor, Professor Karen Bryan, to lead the institution through a period when the Higher Education Sector in England already faced a myriad of competing pressures, expectations and regulations.

Then, before the new Vice Chancellor or Chancellor had even begun their tenure, the coronavirus swept across the globe and forced families, businesses, schools and of course universities including ours, to transform their daily activities, and re-evaluate their whole way of life. These unprecedented circumstances called for an exceptional response and I am proud to say that at York St John that is exactly what our whole team delivered.

In just a few weeks, following the necessary closure of our campus, our

fantastic staff moved our teaching offer fully online. They adapted our policies, practices, and provision so that students would receive an appropriate balance of support and challenge to see them through the conclusion, or continuation, of their studies. They refocused student recruitment to provide online open days, guidance, and information beyond anything we had trialled before. They embraced new ways to communicate, innovate and work together.

I am proud to say that despite a multitude of competing concerns for people at that time, the well-being and welfare of students remained paramount for everybody concerned. Students were effectively supported to return home, with accommodation fees waived for the summer term. For those who could not go home, extra support was provided.

Alongside this, our community made and continues to make, a significant contribution to the wider efforts to manage and defeat the virus and support those who are most vulnerable. They say that in times of crisis, you discover your true character. Throughout this crisis the compassion, collaboration and commitment that defines this institution has shone through in the role we have played across our city, region, and wider efforts.

Given everything that has happened, and the pressures people have faced, it is a great achievement that I can introduce this annual financial report with the University in a position of continued financial stability. Clearly, the economic challenges facing our sector and wider society are considerable, and in the year ahead we must continue reviewing and potentially refocusing some of our efforts to respond. Yet we can do so from a position of relative strength, reflecting the continued popularity of this institution and the willingness of our staff to evolve.

In this context I want to conclude with two heartfelt messages of thanks. The first to the staff, students, and wider York St John community for responding so bravely and brilliantly to what has faced us. I know some of us have experienced great loss and difficulties throughout this year. As a community we stand together and will continue to support each other on every step of this uncertain journey.

My second thanks goes to my predecessor, Ann Green CBE, who retired as Chair of Governors at the end of the 2019–20 academic year. Ann saw the University through a remarkable period of change. During her tenure York St John enjoyed sector-leading growth in student numbers, expanded its course portfolio significantly, enhanced its research credentials, and opened the new London Campus. Ann maintained a relentless focus on student success and ensured the Governors and leadership of the University stayed true to the Christian and community ethos on which the institution was founded. I am grateful to Ann for her support as I started this role, just as I am grateful to be given the opportunity to lead the Governing Body at York St John. There is much for this University to contribute in the coming year. Our response in 2020 gives me every confidence that we will rise to the challenge.

Dame Julia Unwin

Dame Julia Unwin
Chair and Pro Chancellor
12 November 2020





Professor Karen Bryan
Vice Chancellor

Welcome from the Vice Chancellor

It is my pleasure to present York St John University's Annual Financial Report for 2019–20. It has been a year like none that any of us have experienced in our lifetimes. A year full of challenges, uncertainties, and fears, but also a year that has necessitated us to become more flexible, resilient, and creative in the way we work. A year that has reaffirmed the vital role that Higher Education plays in our society.

We can reflect on the year in its entirety with a great sense of pride. Not only for the exceptional way we have responded to the pressures of the pandemic, but also for maintaining good progress across our core business: inspiring teaching; impactful research; our community contribution; and career prospects for our students. We have been nationally recognised for the quality of our public engagement work and for various initiatives that address social mobility and equality of opportunities. We have worked with partners and contractors to keep several key capital projects that will benefit the city's recovery, safely on track.

From a position of relative strength, we are asking ourselves big questions about our next steps: what does the pandemic mean for our longer-term teaching and operating model? has our workplace culture changed for good? how can we stay strategically proactive in such a reactionary political environment? and perhaps most importantly of all –

what further role will we play to address the economic, environmental, and societal injustices that 2020 has exposed and highlighted so profoundly? The answers will be complex and multi-faceted, they will take some time to emerge. However, from the short time I have been with York St John so far, it is clear to me that our staff, students and wider community are ready to tackle those issues, to adapt and grow to meet new challenges, and to hold true to the social justice ethos that resonates throughout our history.

We have shown this year that we can work fast, with conviction and through exceptional collaboration to make things happen. We have enhanced our I.T infrastructure and embraced digital tools, adapting smartly to each new situation. We have looked after one another and extended that spirit out into the city of York and far beyond. We have seen first-hand why research, rigour and constructive dialogue are so important to our society. We have started on a path to

be better prepared and more effective in responding to the real challenges of the 21st century.

I would like to thank all the staff, students, governors, and partners of York St John who have made me feel so welcome and supported in my first months at the University. I have been inspired by the care, ambition and commitment that the whole community here feels towards our student body.

This report and the positive progress it describes, provide testament to your collective contribution. I am sure all those who read it will join me in reflecting on some remarkable achievements within the most challenging of years.



Professor Karen Bryan
Vice Chancellor
12 November 2020

We can reflect on the year in its entirety with a great sense of pride. Not only for the exceptional way we have responded to the pressures of the pandemic, but also for maintaining good progress across our core business

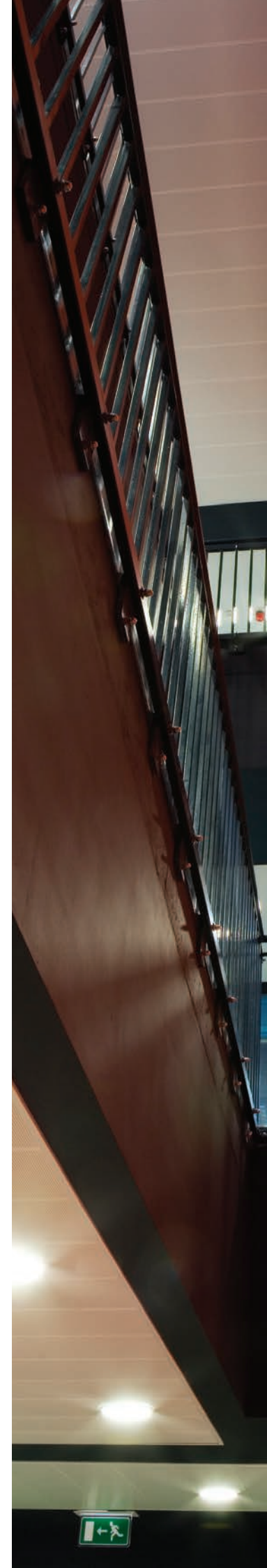


Governors and Directors of the University

The following persons served as Governors of the University and were its members and directors for the purposes of the Companies Act 2006 and its trustees for the purposes of the Charities Act 2011. Each year they sign a register of interests.

Current serving members

Name	Status	Other responsibilities	Term of office
Rt Revd Dr Tom Butler	Representative of the Lord Archbishop of York	<i>Chair of the Foundation Committee</i>	01.09.2012– 31.07.2021
Jon Hammond Booth DL	Co-opted Governor	<i>Chair of the People Committee, Chair of Remuneration Committee SLT, and Remuneration Committee VC (to April 2020)</i>	01.08.2013– 31.07.2022
Stephen Milner	Co-opted Governor	<i>Deputy Chairman, Chair of Audit Committee, Chair of Remuneration Committee SLT and Remuneration Committee VC (from April 2020)</i>	19.11.2012– 31.07.2021
Mohammed Ali OBE	Co-opted Governor	–	06.07.2017– 31.07.2023
Russell Davidson	Co-opted Governor	–	01.08.2014– 31.07.2023
Cath Clelland MBE	Co-opted Governor	–	01.08.2014– 31.07.2023



Current serving members (cont.)

Name	Status	Other responsibilities	Term of office
Prof Graham Henderson CBE DL	Co-opted Governor	–	01.01.2016– 31.07.2021
Richard France	Co-opted Governor	<i>Chair of Finance and Capital Development Committee</i>	19.11.2012– 31.07.2021
Maggie Pavlou	Co-opted Governor	–	01.09.2013– 31.07.2022
Mark Fordyce	Co-opted Governor	–	14.11.2019 – 31.07.2022
Dr Robert Edgar	Staff Governor (elected)	–	01.08.2015– 31.07.2021
Jamie Andrews	President of Students' Union, ex officio	–	01.07.2020– current
Ian Wallace	Member of the Church of England or a church in communion with it	–	01.08.2013– 31.07.2022
Julia Unwin DBE	Member of the Church of England or a church in communion with it	<i>Chair of Governing Body, Chair of Governance and Nominations Committee</i>	01.08.2020– 31.07.2023
Prof Karen Bryan OBE	Vice Chancellor, ex officio	–	01.04.2020– current
Rt Revd Paul Ferguson	Nominee from the National Society Council	–	23.11.2017– 31.07.2023
Rt Revd Dr Jonathan Frost	Diocesan nominee	–	14.11.2019 – 31.07.2022

Members whose term concluded during 2019–20

Name	Status	Other responsibilities	Term of office
Ann M Green CBE	Member of the Church of England or a church in communion with it (retired 31.07.2020)	<i>Chairman of Governing Body (from 01.10.2011) and Chair of Governance and Nominations Committee</i>	11.07.2011– 31.07.2020
Prof Karen Stanton	Vice Chancellor, ex officio	–	01.09.2015– 22.11.2020
Tim Holmes	President of Students' Union, ex officio	–	01.07.2019– 30.06.2020



Company Information

York St John University is a company limited by guarantee with exempt charitable status (registered in England and Wales, number 4498683)

Corporate Office

Lord Mayor's Walk
York YO31 7EX

Bankers

Barclays Bank PLC
Parliament Street
York YO1 1XD

External Auditors

KPMG LLP
Statutory Auditor Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

Internal Auditors

RSM Risk Assurance Services LLP
Suite A 7th Floor
City Gate East
Tollhouse Hill
Nottingham NG1 5FS

The University

For nearly 180 years, York St John University has been educating people from all backgrounds in the heart of the historic city of York. Originally established in 1841 as one of two Anglican teacher training colleges, the institution gradually expanded its course portfolio from the mid-20th century onwards, before achieving University status in 2006.

Today, almost 7,500 students from more than 100 nationalities, alongside 1000 staff, make up a thriving learning and research community. Through its five Academic Schools, the University provides a broad portfolio of undergraduate and postgraduate courses ranging from Law to Languages and Business to the Arts. The University is expanding strategically into new markets, including Degree Apprenticeships and a growing selection of short courses. Its research portfolio has a strong emphasis on themes of social justice and community impact.

The University's overall direction is guided by our 2026 Strategy, which considers our role in a changing 21st-century world and outlines the mission, vision, values, priorities, strategic aims, and performance indicators that inform our work. The Strategy builds on a stable financial position that reflects growth in student numbers and sound management over several years. The Strategy sets an ambitious course ahead, recognising both the University's vital ongoing role as an anchor institution in the local and regional community and its place as a global contributor of knowledge, innovation, and opportunity.

It has helped the University maintain perspective on its longer-term goals in the context of the unique challenges that 2020 has presented.

York St John has a positive record of adapting to changing external influences, both in the field of education and more broadly in society. This has been evident in the strategic choices made and reflected in our 2026 Strategy – notably the launch of the University's London Campus and its emerging partnerships with the NHS and other major organisations. It has also been evident in the response to the coronavirus pandemic, which necessitated a rapid transition to widespread online teaching and learning activity in the summer term of 2020.

Investment in the student experience has been an important feature of recent years. In this time the University has opened a new Students' Union, enhanced teaching space and developed a state-of-the-art 57-acre sports facility less than a mile from the main campus. It has also invested in key areas of student support including careers advice, welfare and wellbeing expertise, attainment monitoring and experiential opportunities. In this way

it is embracing the concept of the University as more than just an intellectual hub, and rather a focal point for a 'whole person' experience, in which individuals grow in knowledge, confidence, skills and resilience to become ready for the opportunities and challenges of the modern world.

Throughout this gradual expansion and enhancement, York St John has stayed true to the core values and ethos that it was founded upon – promoting fairness and social justice, increasing access to education and making a meaningful impact in the community. The University has one of the leading records in the country for widening access to higher education. 60% of our students have one or more background characteristics that is underrepresented in English Higher Education. This focus has been enhanced through a distinctive offer scheme for applicants that looks at contextual factors in their lives as well as their predicted grades and personal statement when determining the type of offer to make them.

The University continues to play a proud and pivotal role in the city of York: shaping and supporting the city's growth and development, contributing significantly to its economy and working proactively to promote inclusion and integration across different communities and cultures. It is also playing a more active role within several national and international partnerships and initiatives – helping to co-ordinate like-minded institutions and organisations around a variety of social justice themes and ambitions. In 2020 we have played a critical role in the city's response to the coronavirus, through the provision of PPE equipment, NHS accommodation, voluntary support, and strategic input. In complex and challenging times, we are well positioned and ready to adapt and collaborate so that our staff, students, city and region continue to enjoy the benefits of our intellectual, economic, cultural and compassionate contribution to society.

Charity Status and Public Benefit

York St John University is a company limited by guarantee and an exempt charity under the terms of the Charities Act 2011 and is regulated by the Office for Students.

The Charity Commission gives clear guidance on the reporting of public benefit and in determining the University's objectives and activities; the Governing Body has complied with the Commission's guidance and in particular the supplemental guidance on the advancement of education (our primary objective as defined in our Instrument of Government).

Public benefit forms an integral part of all our activities and is embedded in our key strategic aims. The principal beneficiaries of the University's services are our students and our community.

A significant proportion of our intake comes from students from less-advantaged backgrounds. Analysis by the Higher Education Policy Institute (HEPI) demonstrates that the University is amongst the leading ten institutions in the country for representing students from a range of economic backgrounds.

Our commitment to widening access means we also invest significant sums in supporting students. All prospective students are made aware of the availability of financial support and in 2019–20 we provided £1.4 million in financial support for students.

Serving our community

The University has served a long-standing role as a pivotal institution in the city of York and the wider region. The importance of this role is recognised in our 2026 Strategy, particularly through the stated aims to be an anchor institution and a partner of choice in the region.

Although 2019–20 has presented new challenges and considerations in how we enact our community-facing responsibilities, we have continued to provide a diverse range of engagement platforms. These include working with large projects involving multiple communities that are long-standing and involve capital funding, whilst also valuing and celebrating small public engagement initiatives which personally impact on those involved and form part of our inclusive civic contribution.

46% of our students come from a Yorkshire post code, highlighting the importance of our role in the region. This role covers both the conventional contribution of a university – as a key employer, a talent provider for the workforce, a hub for business start-up, and increasingly a knowledge creator – alongside a deeper community contribution to the civic, cultural and social wellbeing of the area we serve.

We have four key drivers for our community-facing work, which align with our wider mission:

- Social mobility
- Creative and cultural capital
- Our role as an anchor institution
- Mental health and wellbeing

Throughout 2019–20 we can demonstrate ongoing progress on each of these drivers.

Social Mobility

Our commitment to widening access and opportunity in higher education is embedded throughout our activity, from student recruitment, to research and community interests, to the causes we support and champion. Our contextual offer scheme ran for a whole recruitment cycle for the first time this year.

The scheme uses a points-based system to take an applicant's wider background into account, alongside their predicted attainment, when determining our offer to them. Through its use in recruitment for students who joined us in 2019, the scheme helped us to increase our intake of disabled, mature, 'first in family', and care leaver students, and those from the most deprived areas. We underpinned this initiative with our ongoing programme of outreach work with schools across the Yorkshire region.

Many of the projects we continued to run in 2019–20 complement this social mobility agenda. The York St John-led Military Human Project is one such example. The project works with organisations who support ex-military personnel seeking to reintegrate into mainstream society, to help those organisations understand and adapt to the specific challenges, fears, and issues that the ex-military community can face. Through this training the organisations become better placed to help people who have been in the Armed Forces to find new work and secure a stable lifestyle. In 2020, the Military Human Project received a Gold Award from the Ministry of Defence's Armed Forces Employer Recognition Scheme, in acknowledgement of the positive impact it has made on many people's lives.



Creative and Cultural Capital

York St John plays an integral role in the creative and cultural life of York and the wider region. We have continued to sponsor and/or support several of the city's major festivals and activities, providing opportunities for our students and wider community within these. Key cultural partnerships include our ongoing relationships with the Aesthetica International Short Film Festival, held in the city over several days in November and partly hosted by York St John, which once again saw visitors attending campus from around the world. The University also continued its work with York Minster to host a series of public 'Ebor' lectures entitled 'Science: Wonder, Gifts and Challenge'.

As the restrictions resulting from the coronavirus took hold, it quickly became clear that our wide-reaching public event programme would be significantly impacted. However, whilst several events had to be cancelled, particularly during the initial peak of the pandemic, innovative ways were found to continue the programme where possible by moving activities online. One such example is the annual student showcase event which highlights the final year work of creative students from across arts, digital and design courses. The event is usually hosted across campus each year. In 2020 the showcase event moved fully online, with students curating a digital exhibition that attracted a wide audience of 'visitors'.

Despite the restrictions, we kept our plans on track to build a new Creative Centre at the heart of the York Campus, which remains open in summer 2021. Working safely and carefully with contractors, construction work has been able to continue for much of the year. The Centre will include a major new performance and exhibition space that will enhance York's cultural capacity and play an important part in the recovery of arts activities across the city.

Our role as an Anchor Institution

During the year, our role as an anchor institution for York was evident in both our contribution to the coronavirus response, and our wider ongoing work with businesses, partners, and community groups.

We continued working closely with the business community across a range of mutually beneficial projects, as well as helping to secure placement and volunteering opportunities for our students. 2019 was the first year in which we offered a guaranteed professional placement opportunity on every one of our courses. The University once again hosted and supported the York Top 100 Businesses event – which identifies high performing employers across the city and provides an opportunity for networking and collaboration. Across our York and London campuses we ran a series of well-attended themed 'Future Lab' workshops on key issues affecting the future of business, such as environmental sustainability. We continued to support the entrepreneurial spirit of our students, welcoming more than 100 participants on our Grad2Director and Grad2Freelancer programme to provide tailored support and mentoring for new business creation ideas.

We partnered with the City of York Council, and other education, public and private sector organisations in the city on a major consultation and creative project to redefine and reaffirm the 'city narrative' for York and the marketing approach the city will take in the future. York St John hosted the project management capacity for this initiative, the outcomes of which have subsequently been used to inform the city's coronavirus messaging campaign.

We also worked with various charities, community groups and partnerships to further projects that resonate with the University's social justice mission. For example, in September 2019 we hosted the first national Universities of Sanctuary conference – an event for higher education and community activists to work together to explore the role of universities in supporting refugees and asylum seekers once they move to the host university's town or city. We also partnered with the police and community safety groups, to roll out our student led All About Respect initiative across the city following its initial success on campus. All About Respect addresses attitudes and behaviours in relation to sexual violence and abuse.

With the onset of coronavirus and as an anchor institution in York, we complemented our considerable efforts to protect the welfare of our student and staff community, with a proactive approach to the wider priority needs of the city. The University has been involved in several strategic and operational forums that have helped plan for, and respond to, the different stages of the pandemic so far and the government guidance that has accompanied it. We worked extensively with the local NHS and other bodies on initiatives that included making PPE, providing accommodation for NHS staff, supporting volunteering efforts and providing online support and activities, particularly for vulnerable groups.

Mental Health and Wellbeing

Both mental health and the wider wellbeing agenda are becoming increasingly prominent areas of expertise and contribution at York St John and themes around which we are more active in civic life.

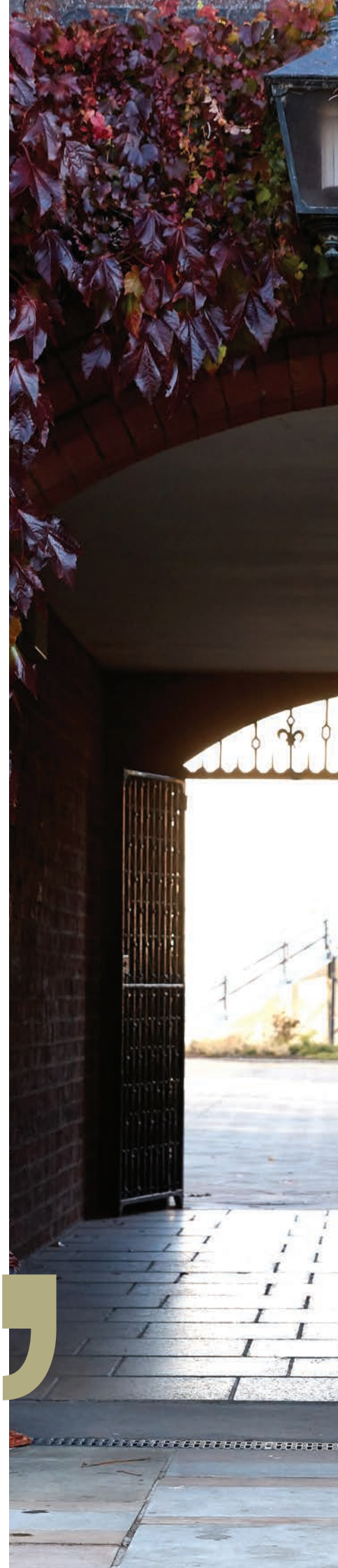
This year we further strengthened our relationship with the Tees, Esk and Wear Valley NHS Trust, to develop new pathways for students and graduates looking to develop a career in mental health treatment. We also supported the opening of the city's new mental health hospital, located adjacent to our sports facilities at Haxby Road. The Converge mental health initiative has continued to go from strength to strength. Converge provides mental health service users from the local area with free to access courses in creative subjects to aid their recovery. It is run by University staff and students. In spring 2020 the project secured significant external funding from the Office for Students and Research England to conduct a 12-month evaluation of its impact on the students who run and participants who take part in the courses. Several of the courses available have been moved online and continued throughout the lockdown period. We have maintained our counselling clinic for the community throughout the year, again moving services online in view of the virus and helping to support individuals and groups who have suffered bereavement or trauma through the pandemic.

The wider wellbeing agenda has been served by the continued expansion of community activities at the University's Haxby Road sports facilities. In 2019 there were over 50,000 community users of these facilities, which will be enhanced further with the completion of a new state-of-the-art indoor tennis centre, being developed jointly by the University and the Lawn Tennis Association for England. In 2019–20 we also strengthened our community-facing partnerships with local sports, teams, working more closely with York City and Harrogate Town football clubs as well as our ongoing relationship with the York City Knights rugby team.

National Recognition

The summary above highlights the breadth of wider work carried out by the University to deliver wider public benefit. In December 2019, the quality of this work was recognised with the Award of the Silver Chartermark for Public Engagement from the National Coordinating Centre for Public Engagement (NCCPE). The Chartermark followed an extensive self-evaluation process across our public benefit activities and ensures we are well placed to develop this work further in the context of the coronavirus recovery effort.

Public benefit forms an integral part of all our activities and is embedded in our key strategic aims. The principal beneficiaries of the University's services are our students and our community.





Strategic Review

Whilst the coronavirus pandemic has been an overriding influence, the year has also seen York St John welcome new leadership, refreshed strategic direction, and continued progress across several internal priorities and external measures of success.

The year began with multiple new developments from the previous year in place to guide and shape our direction and reputation. We started the year with a new '2026 Strategy', a new brand and website, new team structures and leadership arrangements following a review during the previous year, and several innovations, including the MyDay app for students.

The 2026 Strategy sets out a longer-term direction to shape University activity. It includes the mission, vision, values, and priorities that underpin our work, a set of transformational projects and strategic aims and 26 performance outcomes to measure success. Throughout the year, regular reporting to the senior leadership team and Governors has provided an assessment of progress. At the most recent Governors update (July 2020), most of these measures were assessed as on target, or exceeding expectations at this point, with clear plans in place for those that were not.

New senior leadership

It has been an important year in terms of our senior leadership arrangements and personnel. In summer 2019, following a change in personal circumstances and a new opportunity, the Vice Chancellor Professor Karen Stanton announced plans to leave the University. Professor Stanton completed her tenure following our 2019

graduation ceremonies in November. A full and thorough recruitment process led to the appointment of Professor Karen Bryan as the new Vice Chancellor. Professor Bryan joined the University on 1 April 2020. Our Chancellor, the Archbishop of York, Dr John Sentamu, also confirmed his long-held plans to retire in early 2020, making the November graduation ceremony his last. The University was delighted to confirm his successor as esteemed journalist and broadcaster Reeta Chakrabarti. Similarly, the long-standing Chairman of the Governing Body, Ann Green CBE, retired from her role at the end of July 2020. Again, following an extensive recruitment process, we have welcomed Dame Julia Unwin as the new Chair. Julia commenced her role on 1 August 2020.

Several new leadership roles were also filled during the year. This has enhanced leadership and coordination in areas including our London Campus, business development, international team, and student life.

The transition to new leadership arrangements and personnel has been managed carefully over the course of the year, with members of the Executive Board providing continuity and oversight in the period between Vice Chancellors. The new structure has embedded well across the institution and the new Chancellor and Chair of Governors are being supported to develop their roles.

Inspiring Teaching

Inspiring teaching is one of the three strategic priorities detailed in our 2026 Strategy. In 2019–20 we continued to take important steps to enhance our long-standing strong performance in this area. Our National Student Survey scores for the year (published in July because of the pandemic) reflect this. An overall satisfaction score of 85.4% once again placed us in the top quartile of English Higher Education Institutions (HEIs). Our feedback identified programmes with overall satisfaction scores of 90% or more in each of our five academic Schools. Twice as many programme areas as in 2018–19 achieved an overall satisfaction rating of 100%. In Yorkshire and the North East, we achieved the strongest score of all HEIs for Academic Support, and the second highest scores for teaching, assessment and feedback, and for student voice. 92% of students agreed that staff are good at explaining things (three points above the national average) and at 86%, our score for providing timely feedback was 14 points above the national average. 75% of respondents said they feel part of a community of staff and students, which is seven points higher than the national average.

During the latter part of the year we consulted on and developed a new Learning, Teaching and Student Experience Strategy. This links to the relevant outcomes in our 2026 Strategy and has been launched to provide greater consistency across our schools in the teaching standards and support that students can expect, alongside the training and professional development available for staff. To complement the new Strategy, we launched a longer-term project to refresh our approach to learner analytics. The Moodle learning platform was also relaunched with a much-improved user interface.

It was a year of transition as we moved from our previous model of nine academic schools, to a new five school structure. More significantly, we also transitioned to full online teaching for the final term of the year, in response to the pandemic and the closure of campus. This was a significant



undertaking, only made possible by close collaboration and rapid learning and adaptability across the institution. This exercise was broadly a success. It has provided the foundations to make a blended model of online and face to face learning possible for the duration of the 2020–21 academic year.

In early 2020, the Office for Students announced its intention to pause the next stage of the Teaching Excellence Framework (TEF) – the regulatory tool used to monitor and measure teaching standards. A revised timetable for reintroducing the TEF has not been confirmed. Having made significant preparations for our next submission to the TEF, we used this to inform our new Teaching, Learning and Student Experience Strategy.

Impactful Research

Impactful research is the second of the strategic priorities in our 2026 Strategy and has also progressed positively during the year. We continued to invest in the depth, diversity, and experience of our research community. This ranged from the ongoing development of our successful 'Students as Researchers' programme, to the appointment of key new professorial positions. Our academics have formed new partnerships and connections to expand our influence and support in different parts of society. Researchers presented their work across the globe and worked with influencers in the UK parliament and established closer links with the NHS, especially in the field of mental health.

We also joined the 'Scholars Programme' which saw our researchers trained by The Brilliant Club to work in schools providing university-style tutorials with the aim of increasing understanding of research and interest in attending university. We explored new ways to share our ideas, such as the podcast launched by our Study of Satire Research Unit, which has been accessed by more than 1600 people in its first year.

In autumn 2019 the University hosted our first ever dedicated Postgraduate Research Conference. The event, called Eat. Sleep. Research. Repeat, provided a focused opportunity for

the University's researchers to share their interests, experiences and advice with one another and the wider University, to raise the profile of their work and the collaborative spirit of the research community.

In July 2020, the University launched its new multi-disciplinary Institute for Social Justice. The Institute provides an overarching framework through which we are drawing together and enhancing the array of social justice themed projects and research happening across the institution. It is intended to strengthen our ability to forge partnerships and attract investment, whilst creating the conditions for more multi-disciplinary research across our research community. In support of this, we also developed a new Research Development and Innovation Fund, and used it to support several multi-disciplinary, social justice themed research projects within the institution. Our library service launched new tools to improve open access to our research outputs.

During the year we attracted international and national acknowledgement for our research in areas including perfectionism, online gambling and body image of the wellbeing of professional sports people. These projects and several others are part of our ongoing preparations for the 2021 Research Excellence Framework (REF).

Clear About Career

The third of our three strategic priorities is ensuring our students are clear about their career and supported to transition from learning to earning successfully.

During the year, the careers service demonstrated similar ingenuity to other parts of the University in moving a wide range of information and support online to negate the challenges of the pandemic. The service was able to build on the development of LaunchPad online – the University's key point of access for jobs, placements, and work experience opportunities, which during the year identified and advertised over 900 opportunities tailored to York St John students. Almost 1800 students used this service.

We continued to work with a wide variety of employers both on campus and online to showcase opportunities and raise awareness of the roles available. 31 employers attended our Graduate and Placement Fair on campus and 17 ran specific employer sessions during the year, including 7 organised after lockdown. 52 organisations also took part in our part time jobs and volunteering fair and a further 19 organisations attended Volunteering Week, run in partnership with the Students' Union during February.

We also continued to demonstrate our own commitment to creating opportunities through our internal internship programme, offering 16 on-campus internships during the year.

Recognising the challenges facing the graduating class of 2020. We built a dedicated area of our website with specific support for the cohort. We also developed a new programme to help recent graduates gain additional work experience by partnering with small and medium sized enterprises from our city, region and beyond. Targeted work has also been developed for groups of students for whom we have identified specific challenges, including a collaborative small grants scheme being established in partnership with other Cathedrals Group universities.

Social Justice

Throughout the year, our commitment to social justice has remained integral to our focus and our prioritisation of projects and issues. Alongside the community-facing work outlined in the Public Benefit sections of this report, we have worked in a variety of additional areas to demonstrate this.

In February we launched our social mobility report, in partnership with the former Secretary of State for Education Justine Greening's Social Mobility Pledge organisation. In doing so we became a signatory to the Pledge, demonstrating our action on and commitment to promoting social mobility. The organisation has highlighted York St John as a leading example for the sector for its work in this area. The launch followed similar recognition at the UK Social Mobility

Awards in December. In January we were once again celebrated as a Top 100 employer by LGBT equality charity Stonewall.

During the summer we joined millions around the world in pledging our support to the Black Lives Matter movement, which highlights issues and inequalities that resonate with our University's foundations, mission and our absolute commitment to inclusion and equality. We issued an initial statement affirming our support for Black Lives Matter and have subsequently committed to further work, above and beyond the objectives in our 2026 Strategy, to better understand and address issues as they may relate to life at York St John. We are reviewing the current activity of the University across this agenda to respond in a considered way whereby our actions align with our stated commitment. Our most recent Access and Participation Plan analysis notes ongoing work needed to ensure we promote access for students from Black and Minority Ethnic (BAME) backgrounds.

Responding to the Pandemic

Working with partners across the city of York and the wider region, we began to plan for the onset of the pandemic several weeks in advance of lockdown conditions being imposed. A major incident team was established, and contingency plans developed and then initiated once the severity of the necessary restrictions became clear. Our Easter vacation was moved forward, enabling campus to remain open, but the vast majority of students to return home and staff to work from home. Following this decision, the focus moved to transitioning teaching and support arrangements to online alternatives. This was a significant undertaking, and involved many staff going over and above in already challenging circumstances.

After the Easter break, students resumed their studies using a fully online and distanced model of learning and assessment. This followed an intense period of transition and planning. In line with approaches adopted nationally, we revised our policy on assessment to provide a 'safety net'

for students to reduce any detrimental impacts from completing work in lockdown conditions. Additional support also included a more flexible approach to granting exceptional circumstances and the provision of appropriate IT equipment wherever possible.

Most students living in halls left before the Easter break. The University did not charge these students for third term accommodation fees. A small number of students remained due to personal circumstances and were offered specific support.

Shortly after the lockdown was initiated, we began to plan for returning staff and students safely and appropriately to campus. A revised operating model was prepared and subsequently implemented from the start of the 2020–21 academic year. This was achieved throughout the 'Operational Campus' project, which used the University's established project management methodology, with several interconnected work strands linking this complex piece of work.

In-line with much of the sector we introduced a model combining online lectures, campus learning and face-to-face tutorials. Our emphasis has been to combine safety and quality, with a constant focus on the student experience. A set of guiding Academic Principles were developed by the Vice Chancellor and Heads of School to steer our approach. We worked closely with the Students' Union and continue this, so that our academic offer for 2020–21 would be complemented by the best possible student experience in the circumstances.

As a relatively compact campus (in both York and London) and given our familiarity with small group teaching and smaller class sizes, we have been able to put a high-quality model in place for students. Specific support has also been developed for commuting students and for our international cohort. The logistical and academic work required to implement all the necessary changes has been considerable.

A phased approach was developed to enable staff to return to campus. All staff completed a survey outlining their work

needs, personal circumstances, and travel arrangements, which managers used to inform the phases. We made several changes to HR policies and wider approaches to support flexible working built around family and personal circumstances, for example increasing the number of paid days staff can utilise for dependents' leave. At the time of writing, a high proportion of staff are continuing to spend all or part of their week working from home.

The wellbeing of our staff, students and wider community has been our highest priority throughout this extremely challenging period. From the outset, we managed a large volume of questions and concerns from current and prospective students reflecting a variety of anxieties and situations. We moved several student support services and forums online. Extensive work was done to maintain a sense of community and mutual support amongst staff, with daily, weekly, and other timely communications, as well as various informal, or expert-led support groups and services. Extra focus has been given to the most vulnerable staff.

Looking Ahead

Given the scale of the challenges faced, the University has coped well with the unpredictability and unprecedented nature of 2020. We can demonstrate progress against the key priorities in our strategic plan, an effective initial and forward-looking response to the pandemic and a continued focus on issues that resonate with our mission and values. The adaptability and resilience displayed by staff should position the institution to respond to the likely ongoing uncertainty of the coming year. We remain acutely aware of pressures placed on staff in recent months. We recognise the need to foster a culture that is both kind and supportive, whilst remaining ambitious and inspiring for our students. As a clearer picture of the pandemic's implications emerge we will review our current strategic plans accordingly. We will ensure we are absolutely focused on the right priorities and issues to make the most meaningful impact in a fast-changing world.







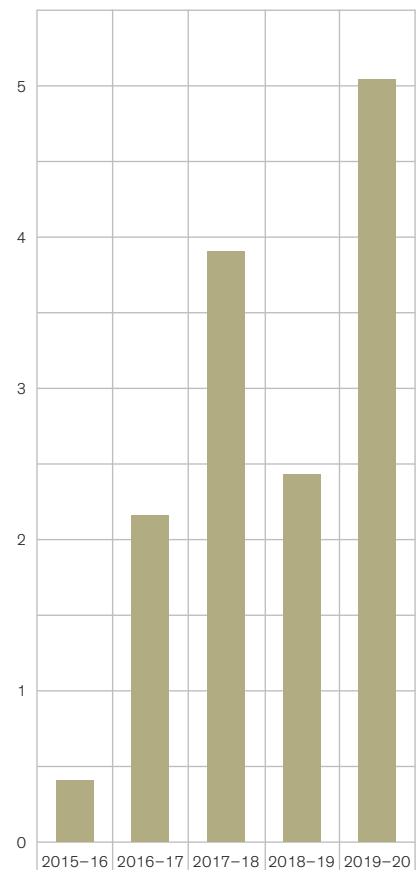
Financial Review

The financial year was characterised by strong operational performance in an incredibly challenging environment. The original budget strategy has been delivered after accounting for the impact of COVID-19 and the Voluntary Severance Scheme that was approved in late June 2020. The sale of land at Hull Road means the University is able to report a surplus after investment activities of £5.04m.

Total income decreased by 1.8% to £68.8m principally as a result of a reduction in income from student accommodation. Total expenditure increased by 2.6% to £69.4m.

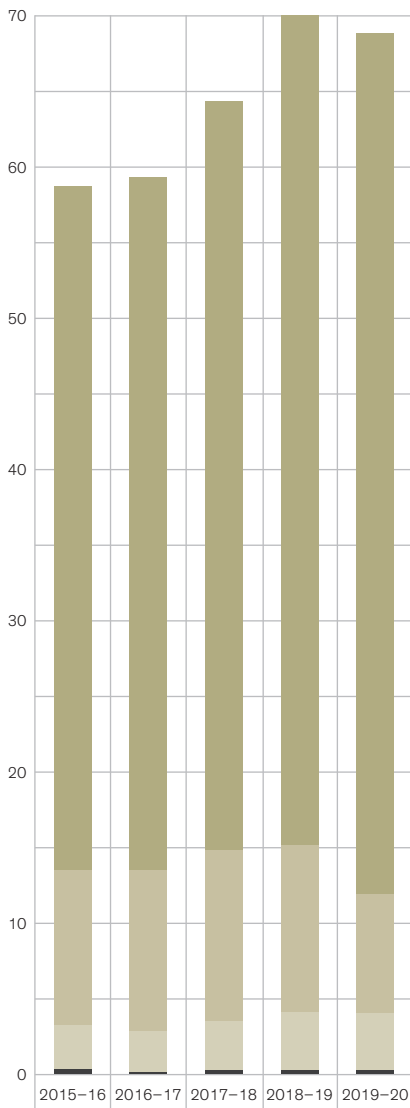
The University generated £8.9m net cash inflow from operating activities and the cash balance increased by £9.2m to £36.4m after investing £10.2m in fixed assets.

Operating Surplus £'m



The University generated £8.9m net cash inflow from operating activities...

Income Breakdown £'m



- Income from Tuition Fees and Education Contracts
- Other Income
- Income from Funding Council Grants
- Income from Research Grants and Contracts

Income

Total operating income reduced by 1.8% to £68.8m mainly due to the reduction in income from student accommodation and the cancellation of summer schools due to the pandemic – income from tuition fees increased by 4% to £56.9m from growth in numbers of home and EU and international students. Commercial and facility generated income fell 28% to £7.9m.

The University disposed of a key investment at the Hull Road site for £6.2m, £5.4m profit (not shown in the graph above).

The University is continuing to invest in Degree Apprenticeship programmes and has commenced delivery of programmes for several employers – the strategy has been refreshed for 2020–21. Recruitment to the London campus has exceeded the budget as the portfolio continues to expand, an increase of £0.3m over the budget of £1.9m. Funding body and research grants were in line with the budget expectation at £3.9m.

Expenditure

Total expenditure increased by 2.6% to £69.4m.

Staff costs increased by 7% to £40.5m reflecting increased investment in academic and support staff. New teams are now in place to diversify income generation. The Academic Alliances team has been instrumental in securing Degree Apprenticeship partnerships with leading UK employers including the Bank of England, Aviva and the Office for National Statistics and Humberside Police. International recruitment teams are now well established on the York and London campuses which will drive further diversification from the core undergraduate market. The fundraising team will target activities around our alumni network and sponsorship opportunities for the Creative Centre which will be fully mobilised from 2021–22.

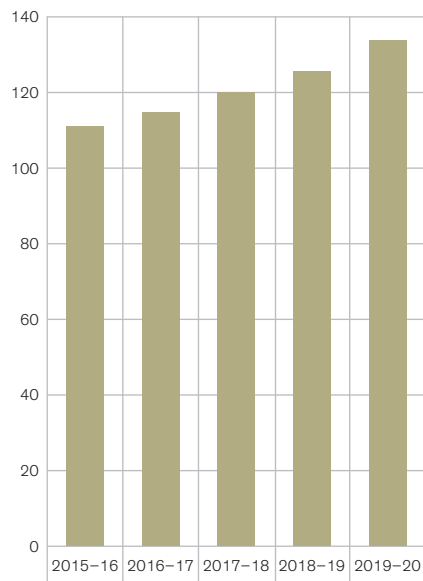
The cost of the Voluntary Severance scheme impacted performance by £1m (56%) in the year.

We have successfully renegotiated our bank loan facilities to secure access to long term funding – the University remains in a strong liquidity position

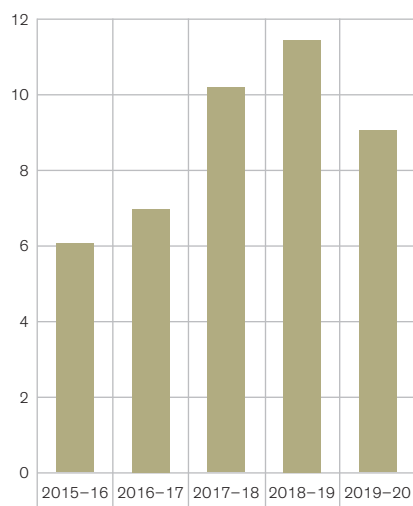




Net Assets excluding Pension Liability £'m



Net Cash from Operating Activities £'m



Balance Sheet

Net assets at the end of the year were £111.5m (2019: £110.8m). Before the pension provision net assets were £133.7m (2019: £125.6m).

The University's largest liability remains the North Yorkshire Pension Fund deficit. The outcome of the actuarial valuation of the University's North Yorkshire Pension Fund liability at July 2020 resulted in a £7.4m increase in the pension deficit to £22.2m.

This arose from the actuarial gains on assets being offset by increases in liabilities, caused by unprecedented market conditions and extremely low yields. We have budgeted for increased employer contributions in future years to continue to clear the underlying deficit.

We made capital investment of £10.2m during the year (2019: £5.4m) including £0.8m on the costs of developing a new Finance/HR software solution. The University acquired Peppermill Court (£3.1m) from the NHS as a strategically important site given the potential to increase student capacity on the Grange site from 400 to 800 units. The University appointed Kier Construction in early 2020 to deliver the Creative Centre at our main York Campus with a revised full budget of £17.2m – spend in year was £2.8m. Other investment in the main York campus totalled £1.5m.

The University generated cash from operating activities of £8.9m, 13% of income (2017-18: £11.4m, 16.3%).

Financial Outlook

The University's financial strategy is to invest strategically in facilities and infrastructure for the benefit of our students and the community in which we live and work – financial performance in 2019-20 has been strong in an incredibly challenging environment. We have successfully renegotiated our bank loan facilities to secure access to long term funding – the University remains in a strong liquidity position in the short to medium term and has performed well against the banking covenants in 2019-20. The opening of our new Creative Centre in 2021 will allow a significant reconfiguration of the remainder of the campus in York.

A complete review of the portfolio has been led by the new Vice Chancellor which will position us to grow and diversify our portfolio for all programmes across the University. The Post-Graduate Taught and International Strategies positions us well for future development. The University remains on course to deliver its 2026 Strategy.

Key Risks and Risk Management

Like most organisations, the University's assessment, and management of risk during 2019–20 and looking ahead, has been significantly impacted by the coronavirus pandemic. This applies to both the pandemic's immediate effects and potential longer-term consequences. Whilst it is not yet possible to anticipate the full extent of this, we have made a highly proactive start to responding and planning for what comes next.

As soon as the health risks from the pandemic became clear, swift action was taken to prepare and implement an appropriately broad and flexible response. With staff and students' health and safety paramount, the University campuses in York and London were promptly closed in March and soon after, staff had moved to working from home, using Microsoft Teams and the wider Office suite to adopt new ways of working. A skeleton staff remained on campus under social distancing conditions to provide maintenance, cleaning, security, and portering services.

The subsequent action taken to complete the academic year and prepare for a return to our campuses has been described in the earlier Strategic Review section. The following focuses on the key risks. First, those that are particularly impacted by the context of the coronavirus and then, more broadly,

Financial sustainability and performance:

The financial sustainability and performance of the University was identified as the highest risk area when the pandemic arrived. Uncertainty over student recruitment (discussed below), and the viability of course delivery in the short and longer term, alongside anticipated income losses in other areas – such as accommodation and events/facility hire income – necessitated an urgent recasting of short and longer-term budget forecasts.

Accordingly, prompt, but measured actions were taken. We modelled several potential scenarios based on variable levels of disruption and impact, with high level actions planned accordingly. An extremely prudent approach was taken to the planning round for 2020–21, with only £380K of new spending granted in the most business-critical areas, against £2.6 million requested

across the institution. We supported proposals for a pay freeze for the sector in the year ahead. Vacancy management was tightly implemented and in June, several additional measures were announced, which included restrictions around pay re-grading and promotions. Staff were also invited to consider voluntary severance, reducing working hours, taking an unpaid period of leave, or a career break.

These measures, alongside some positive student recruitment outcomes, have enabled the University to start the new academic year maintaining a relatively stable position. However, the environment caused by the ongoing pandemic remains highly uncertain. Conventional sources of more stable income now look much more volatile and the wider economic context for the country and the sector may cause further instability. We are continuing to focus on diversifying our income streams, through both our course portfolio and gradually, through a greater focus on research.

As has been the case throughout the pandemic so far, senior leaders and governors are maintaining a close watching brief on the emerging picture. The senior leadership team is part of wider sector discussions and collaborations over the multiple considerations emerging at each phase. The modelling work done initially and the relatively stable financial position the institution has achieved over several years, provide a solid platform to respond to this unprecedented situation.

Student recruitment: an evolving picture

Linked to our financial sustainability and performance, student recruitment was considered a specific area of high risk at the outset of the pandemic. This was widely the case across much of the UK Higher Education system. Tuition fee income from domestic students remains our main source of income. International recruitment had also been identified as a potential growth area during 2019–20 and in subsequent years. Domestic and international markets were considered at risk due to travel restrictions, applicant caution, market turbulence

and the different delivery model on offer because of the pandemic. This made it extremely difficult to anticipate applicant behaviour. The complexity of the situation was compounded by the late changes to the government's policy on A Level results.

The University acted quickly to address this risk, within the recruitment cycle. Recruitment moved online, mature and postgraduate markets were targeted and applicant information was quickly updated.

At the time of writing, the indications are that these efforts and wider trends in applicant behaviour this year have resulted in domestic recruitment numbers that will exceed the revised targets set in the context of the pandemic. International recruitment has also performed well compared to the revised targets that were set. This has been the case both in York and at our London Campus, where our proportion of international students is much higher. In both York and London, we are currently transitioning domestic and international students into revised learning models, brought about by the pandemic. Student retention is another area of focus for the new academic year.

Looking ahead, we are facing a very challenging recruitment round for 2021, as is the entire sector. We have revised our open days to be online and plan to manage small events to allow candidates to visit campus, although this remains under review given COVID-19 restrictions. The recruitment cycle dates may be pushed back by government and there is ongoing uncertainty over examination dates in summer 2021. We will continue to manage those challenges and to support candidates and partner schools and colleges as best we can.

Sector and Political change

The Higher Education Sector continues to face a period of turbulence in the evolving political environment. The General Election outcome in December 2019 has confirmed that the UK is likely to enter a 'harder' and less collaborative future relationship with the European Union (EU) because of its vote for 'Brexit'.



The specific implications for UK universities, including York St John, remain uncertain, whilst negotiations over the final withdrawal arrangements are ongoing. We continue participating in sector discussions on this and we are maintaining the strong, positive relationships we enjoy with several institutions and organisations across Europe.

The political environment more broadly, remains complex. Universities are widely acknowledged as having played an important role in the research and response efforts following the pandemic. The rapid and widespread transition to online learning arrangements has been recognised. However, the sector is now a focus for its efforts to contain and manage the spread of the virus after students returned to campus. York St John has put detailed plans in place to best manage and respond to the risks of any cases emerging, developed in partnership with Public Health and other key organisations, including other education providers in the city.

The new Government's policy agenda in relation to the sector is still emerging. Further announcements have been trailed for autumn 2020, that could, as part of a wider spending review and in response to the long-standing recommendations of the Augar Review of funding for HE, see changes to current funding levels and models for universities. However, this is by no means guaranteed. The role and powers of the Office for Students, as the sector's regulatory body, are also evolving, with some indications that a lighter touch may be applied (for example on the National Student Survey), and others that we could see further interventions on issues of perceived course quality and flexibility. The civic role of universities, especially in response to the pandemic and in view of the Government's 'levelling up' agenda, also remain of interest. The Government has made clear its wish to see a greater national focus on research and more flexibility in the research funding system.

At York St John we are maintaining a close watching brief across this agenda. Policy developments, announcements and intelligence are regularly reviewed by the Executive Team and reported to

Governors. We model the implications of anticipated policy announcements at an early stage, enabling us to plan appropriately. We are active members of several sector forums and partnerships that support and influence national policy work.

We are also working as part of several collaborations, including Yorkshire Universities and the Cathedrals Group of universities, to define and demonstrate our role and contribution in the context of the emerging political agenda. We have developed and are further developing, good relationships with local political representatives and other sector influencers.

In short, the University is alert to and proactive about the evolving political agenda. Overseeing and planning how to respond is an important strand of senior leadership responsibilities. The relative stability the University has achieved over several years, and the flexibility it has been able to demonstrate, indicate that we will be able to respond proactively, appropriately and assertively should, as we expect, further national policy developments require fresh thinking and approaches.

Operational Issues

Although much of the University's focus over the past year has necessarily been on external challenges, we have continued to proactively monitor and address internal priorities. Progress and risks continue to be reported periodically to both the Executive Board and the Audit Committee. Risks are identified on a scale from very high to low and mitigating actions identified where necessary.

We have maintained momentum on Project Orion, which aims to address some of the risks and inefficiencies in the University's current corporate systems. Through this project, new integrated HR, finance, and payroll systems are being introduced as part of the University's wider Digital Strategy. These systems and the more secure and consistent experience they will facilitate for staff, will be in place by the end of the calendar year.

We acted promptly to address increased cybersecurity risks partially arising from an increase in staff and





students working and learning from home. Several key and pre-planned IT security projects were brought forward, including the introduction of an up-to-date Virtual Desktop Infrastructure. Increased monitoring and awareness-raising for staff, is ongoing to identify and highlight these risks.

Elsewhere, we have maintained a focus on ensuring that the courses and teaching we offer students along with the support and structural arrangements that underpin these, are effective. For example, through a review of support arrangements to our Degree Apprenticeships and the wider review of our course portfolio discussed in the Financial Review section above.

Finally, and in the context of the wider financial pressures discussed above, we have continued to explore options in relation to growing pension liabilities. Whilst the University will absorb these costs, based on its current scheme participation, in the short term, we have committed to carry out a more thorough review of our future arrangements within the next eighteen months.

Health and wellbeing

The pandemic has placed extra pressures and considerations on the health and wellbeing of staff and students. This relates to both the immediate risk of coronavirus infection and the wider reaching impacts on physical and mental health.

A robust plan, and extensive arrangements are in place to facilitate the safe movement of staff and students around campus. This complies with all relevant Government Guidance. Appropriate plans, developed with key partners, are in place to address any confirmed cases or outbreak of the virus amongst our staff, or student community. Regular communications to staff relating to any new measures or information are shared via email and the intranet.

More generally we have sought to create a safe, supportive, and positive environment to help colleagues through the stresses and personal challenges that many are experiencing in the current circumstances.



Directors' Report

The Directors present the Financial Statements of the University for the year ended 31 July 2020.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that [he/ she] ought to have taken as a director to make [himself/herself] aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The future strategy and likely developments within the University are highlighted within the Strategic Report. The names and term of office of all the Directors are listed on pages 8 and 9 under 'Governors and Directors of the University'.

Employees and diversity

The University is committed to encouraging and enabling staff to achieve their full potential and aims to ensure that no job applicant, employee or former employee experience unfair treatment, discrimination and harassment.

Disabled employees

The University has retained its 'Disability Confident Employer' status, in recognition of our work to employ, retain and develop disabled staff. Reasonable adjustments are made where appropriate and career development and promotion opportunities are provided for all staff.

Employee involvement

It is the University's policy to communicate with and involve all employees, subject to commercial and practical limitation, in matters affecting their interests at work and to inform them of the University's performance. Employees are provided with information about the University, which is supplemented by regular team briefings and staff forums. The University makes full use of its website, staff intranet and a weekly internal email to provide current information to its employees.

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017 no. 328), the University is required to publish information about employees acting as trade union representatives for each year to 31 March. For the year to 31 March 2020, 27 employees acted as relevant union officials, each spending 1–50% of their hours on trade union facility time. The total cost of facility time was £27,648, which was 0.10% of the total pay bill. The time spent on paid trade union activities as a percentage of total paid facility time hours was 0%.

Environmental Summary

York St John University is committed to minimising the environmental impacts that result from all of our activities. Our environmental performance is monitored across a number of overarching fields including climate change, waste, and biodiversity. These in turn drive programmes of carbon emissions reduction that include efficiency

enhancements, renewable energy purchase and generation, as well as waste management with expectations that we will maximise recycling and send zero waste to landfill, and a burgeoning biodiversity enhancement programme to be implemented across all of our sites, both residential and non-residential.

York St John University has set itself targets of a 43% reduction in carbon emissions, from a 2005 baseline, by 2020, 53% by 2025, and 80% by 2030. The 2020 target is in line with the sector-wide target for that year, originally set by the Higher Education Funding Council for England (HEFCE) in 2009. The 2020 target was achieved during the 2018–19 academic year, a full year ahead of schedule, when emissions were 46% below the baseline.

Forthcoming projects that will result in additional energy and carbon savings across the estate include:

- Electrification of cooking in our catering operations;
- Achieving a fully electric maintenance van fleet;
- Continuation of a programme of superinsulation as part of building refurbishments;
- Thermal upgrade/replacement of windows at student residential accommodation;
- Enhanced heating and hot water controls at student residential accommodation;
- Replacement heat recovery ventilation in teaching buildings;
- Installation of solar PV arrays at various locations across the University estate.

Biodiversity

We are developing and implementing Site Specific Biodiversity Action Plans for each of our seven principal sites in the City of York, with the objective of increasing both biodiversity value and amenity value of the whole estate. This process was initiated in 2019. Action Plans for all sites will be completed during 2020, with implementation at all sites by the end of the year.

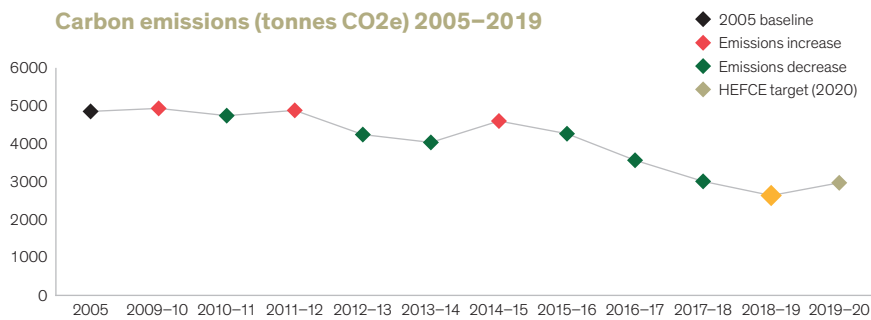


Fig. 1. The downward trajectory of the University's carbon emissions, as tonnes CO₂e from 2005 (baseline year: black) up to 2018–19. The gold point at 2020 shows our current carbon reduction target, which we managed to achieve a year early, in 2018–19. The steep increase in 2014–15 was due to the opening of the St John Central accommodation site.

Waste

York St John has successfully operated a zero waste to landfill policy since 2013. Maintaining this record is a key waste management objective.

Zero waste to landfill has been achieved by:

- Increasing recycling from 26% in 2010 to 66% in 2019.
- Diverting all non-recyclable waste to energy generation. Food waste goes to anaerobic digestion for energy generation, while all other non-recyclable waste is converted to energy via incineration at an energy-from-waste plant.

Water

The majority of water consumed across our estate is in student residences, where the University has limited control.

We actively encourage and facilitate water conservation, through the use of low flow shower heads, active leak detection, monitoring of water consumption, stringent refurbishment criteria, and the use of waterless urinals wherever possible.

Political Donations

The University did not make any political donations in 2019–20.

Appointment of Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Strategic Engagement with Suppliers and Customers

Engagement with employees

The University strives to maintain a sense of involvement and ownership amongst its staff and students as far as its trading practises and its supplier relationships are concerned. Accessing a broad range of voices and opinions aids the decision making process and supports the executive team in being able to determine if the services deployed around campus are fit for purpose and suitable for the needs of the University's population. The use of cross functional teams in the tendering and supplier selection process is a key tool in accessing those voices. The recently tendered campus catering service is an example of this collaborative approach to supplier selection and service definition. This involved multiple tiers of management, frontline staff and Student Union representation from the initial scope drafting stage through to the setting of selection criteria and final contract award. As a core service that has a resonating impact on the environment and the quality of both the staff and student experiences, it was

vital that the solution chosen by the University reflected the needs of these groups. It is also crucial for ongoing feedback collation to take place and to ensure that processes are established to support this. The University is currently engaged in the rollout of a new suite of purchase-to-pay systems that will provide a desktop portal for users to submit qualitative and quantitative data on the performance of suppliers. This method of consultation will be built in by default and will ensure that their experiences are shared and can be used to better inform central decision making.

Engagement with suppliers

The University understands well that it has a focal and significant role to play in the wider community of stakeholders outside of the campus perimeter. Suppliers and businesses across the region have a valuable collaborative role to play in the successes of the institution through the services and expertise they bring. It is paramount that the University continues to make commercial decisions around supplier selection in an open and transparent way, that generates confidence in our choices being balanced, fair and well informed. The University spends around £4m a year through collaborative purchasing frameworks, such as the North Eastern Universities Purchasing Consortium and the Yorkshire Purchasing Organisation. These arrangements not only bring economies of scale to the University, but they also enable joint activities with partner institutions and facilitate the sharing of knowledge on critical business areas. They also allow the establishment of sector-wide standards in processes and reduce the administrative burden faced by those businesses that wish to trade with Higher Education institutions. The use of a shared platform (Delta) for procurement tendering significantly reduces the effort and resources required by suppliers who wish to bid for University contracts. This is of significant benefit to those Small and Medium-sized Enterprises (SMEs) that can be disproportionately disadvantaged by lengthy and complex tender exercises.

The Directors have considered the ongoing sustainability of the University taking into account the impact of Covid-19. This is set out in more detail in the financial review. The Directors consider it appropriate for these financial statements to be created on the going concern basis.

On behalf of the Governing Body



Professor Karen Bryan
Vice Chancellor
12 November 2020

Dame Julia Unwin

Dame Julia Unwin
Chair and Pro Chancellor
12 November 2020

The University retained its 'Disability Confident Employer' status, in recognition of our work to employ, retain and develop disabled staff.



Statement on Corporate Governance and Internal Control

The following statement is based on Office for Students (OfS) guidelines and reflects the University's regard for the Higher Education Code of Governance ('the Code') published by the Committee of University Chairs (CUC).

The University formally adopted the Code at the meeting of the Governing Body on 9 July 2015, following detailed consideration of the Code by the Governance and Nominations Committee. We confirm that the requirements of the Code have been applied to the University's governance arrangements during the 2019–20 financial year. It is noted that a new version of the Code has been published by CUC in September 2020 and this will be considered for adoption by the Governing Body during the 2020–21 cycle.

York St John University is a Higher Education institution with taught and research degree awarding powers, a Company Limited by Guarantee (with no share capital) and an exempt charity. The University's Articles set out its object and powers as required under the Education Reform Act 1988.

In accordance with the Articles of Association of the Company, the Governing Body 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. This also includes ensuring the operation of an effective system of internal control.

Governors make an annual declaration to conduct themselves in accordance with accepted standards of behaviour in public life (the 'Nolan Principles') which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Governors are required to maintain an entry in a Register of Interests and further to declare any interests in relation to matters under discussion at meetings.

The Governing Body has adopted a Statement of Primary Responsibilities addressing sector guidance, OfS and UKRI requirements and the University's status as a Company Limited by Guarantee. This statement reflects the Governing Body's understanding of its responsibilities in relation to governance and internal control. It is published on the University's website and is reviewed annually by the Governing Body.





The powers and duties of the Governing Body, as defined in the Articles include responsibility for:

- the determination of the educational character and objectives of the University and the supervision of its activities
- the effective and efficient use of resources, the solvency of the University and the safeguarding of its assets
- approving annual estimates of income and expenditure
- the assignment of duties and rights to, and the appraisal of, the Vice Chancellor
- the determination of the policy for pay and general conditions of employment of the staff
- the appointment of auditors
- ensuring that there is an effective framework overseen by the Academic Board to manage the quality of learning and teaching and to maintain academic standards.

The Vice Chancellor has a general responsibility to the Governing Body for the organisation, direction, and management of the institution. There is a clear division of responsibility in that the roles of the Vice Chancellor and the Chair of Governing Body are separate.

Under the Terms and Conditions of Funding and ongoing registration with the OfS, the Vice Chancellor is the Accountable Officer of the University. In that capacity the Vice Chancellor (and the Chair of the Governing Body) can be summoned to appear before the Public Accounts Committee of the House of Commons. This responsibility extends to assuring the quality and accuracy of University data provided to OfS, the Higher Education Statistics Agency (HESA) and other public bodies.

The Vice Chancellor exercises considerable influence upon the development of the University Strategy, the identification and planning of new developments, and the shaping of its ethos. The wider Executive contributes to significant aspects of the work,

working in close collaboration with the Governing Body which has ultimate responsibility for the University's strategic direction, educational character and use of resources.

In accordance with the Articles of Association, a Secretary to the Governing Body (and the Company) has been appointed. The role holder provides independent advice on matters of governance to all members of the Governing Body.

The Governing Body, through its Governance and Nominations Committee, ensures an appropriate balance of skills and experience among its members. A priority for further enhancement will be to review and improve the diversity of the membership. The constitution includes the Vice Chancellor, the President of the Students' Union, and an elected staff member. The remaining 14 members are external and independent to the University. Governing Body members were not remunerated for their work during 2019–20. However, the newly appointed Chair of the Governing Body from 1 August 2020 is to be remunerated, and consideration is being given to remuneration for the Chairs of the supporting standing committees. No Governor or person connected with a Governor received any benefit from either bursaries or scholarships awarded to our students.

The Governing Body holds three formal business meetings each year. In addition, it holds two informal meetings a year to provide opportunities to consider and discuss matters of strategic importance in greater depth.

The following standing committees of the Governing Body handle detailed work within defined terms of reference:

- Audit
- Finance and Capital Development
- Foundation
- Governance and Nominations
- People
- Remuneration (Vice Chancellor)
- Remuneration (Senior Leadership Team)



The committees mainly comprise independent and external members of the Governing Body, one of whom is appointed as the Chair of each committee.

An Academic Board provides regular reports to the Governing Body on academic matters ensuring that the Governing Body can discharge its responsibilities for the quality of the student experience and standard of awards. An annual joint meeting with the University's Academic Board provides an opportunity for engagement in greater depth on academic matters. The elected staff member on the Governing Body attends Academic Board as an observer.

Audit Committee

The Audit Committee meets five times a year, with the University's External and Internal Auditors in attendance.

The committee considers detailed reports together with recommendations for the improvement of the University's systems of risk management, internal control, management's responses and implementation plans and regularly reviews the University's progress and risk register. It also receives and considers reports from regulatory bodies, including the OfS, as they affect the University's business and monitors adherence to regulatory requirements. While members of the Executive attend meetings of the Audit Committee as necessary, they are not members of the committee. Once a year, the committee separately meets the Internal and External Auditors for independent discussions.

Finance and Capital Development Committee

The Finance and Capital Development Committee meets three times a year and maintains oversight of the University's financial and capital development strategies and the financial policy framework.

Foundation Committee

The Foundation Committee meets twice a year and is a forum with responsibility for leading and advising on religious faith and ethos and the University's mission and ethics.

Governance and Nominations Committee

The Governance and Nominations Committee meets at least twice a year. It advises the Governing Body on the operation and effectiveness of corporate and academic governance arrangements and oversees the appointment of Governors and members of Governing Body Committees. During 2019–20 this included oversight of the process for the appointment of the new Chair of Governing Body. The committee also has responsibility for oversight of reviews of Governing Body effectiveness. The last review of Governing Body effectiveness took place in 2017–18 and it is intended that the next review is facilitated during 2020–21.

An action plan to further enhance effectiveness was approved by the Governing Body and progress is monitored by the committee. Details of the University's approach and key outcomes of that process are published on the University's website.

People Committee

The People Committee meets three times a year. Its purpose is to "be responsible for monitoring key performance indicators relating to students, staff and alumni and making recommendations to Governing Body (or Academic Board, as appropriate) on matters that impact on the contribution and success of our people".

Remuneration Committees

The Remuneration Committee (Vice Chancellor) is responsible for determining the remuneration, conditions of service and any severance arrangements for the University's Vice Chancellor. The Vice Chancellor is not a member of this committee. The Remuneration Committee (Senior Leadership Team) performs the same task for the University's most senior post holders. The committees operate within a clear policy framework which was last reviewed in April 2020.

The Remuneration Committees are chaired by the same independent Governor and cannot be chaired by the Chair of the Governing Body.

In addition to Governor members, there is an independent co-opted member with experience from beyond the Higher Education sector.

Following the national restrictions due to COVID-19, all committee meetings have been successfully facilitated remotely as scheduled, with no negative disruption to business or oversight.

Internal control

The University's Governing Body is responsible for the University's system of internal control and for reviewing its effectiveness alongside safeguarding the funds and assets for which it is responsible. This includes the prevention and detection of corruption, fraud, bribery, and irregularities. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Documentation defining control mechanisms and responsibilities were reviewed and updated to reflect structural and personnel changes.

The main elements of the University's system of internal control are:

- Clear definitions of authority delegated to senior leaders, including authority for the approval and control of expenditure;
- A robust annual planning process, linked to budgeting, and informed by detailed financial analysis;
- Comprehensive Financial Regulations, detailing financial controls and procedures, reviewed by the Finance and Capital Development Committee and approved by the Governing Body;
- Policies and procedures to support compliance with legislation and regulation relating to financial malpractice including fraud, money laundering and bribery;
- Regular monitoring of performance and risk indicators against the University's Strategic Plan across the University. Audit Committee and the Governing Body receive regular reports relating to performance and risk;

- The maintenance of a control log for all data returns with appropriate levels of assurance and approval.

The Governing Body has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. From February 2020, the standing committees of the Governing Body also now review the very high and high strategic and operational risks associated with their remit and area of business, to provide additional oversight, assurance and control.

The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks; that has been in place for the year ended 31 July 2020 and up to the date of approval of the Directors' Report and accounts; and that it is regularly reviewed by the Governing Body and that it accords with the internal control guidance for Directors on the Combined Code as deemed appropriate for Higher Education. It is informed by the Internal Audit function which works to standards defined in the OfS Audit Code of Practice. Further assurance is provided through reviews by the OfS Assurance Service. The performance of the University's Internal Auditors is reviewed by both management and the Audit Committee each year and informs the opinion set out in the Audit Committee Annual Report to the Vice Chancellor and the Governing Body.

The Audit Committee approves an Annual Internal Audit Plan and receives regular reports from Internal Audit which include recommendations for improvement. Internal Audit provides an Annual Report to the Governing Body, which includes an opinion on the adequacy and effectiveness of the University's system of internal control, including risk management, corporate governance, and value for money. At its November 2020 meeting, the Governing Body carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the Executive Board, Audit Committee, and Internal Audit, and taking account of events since 31 July 2020.

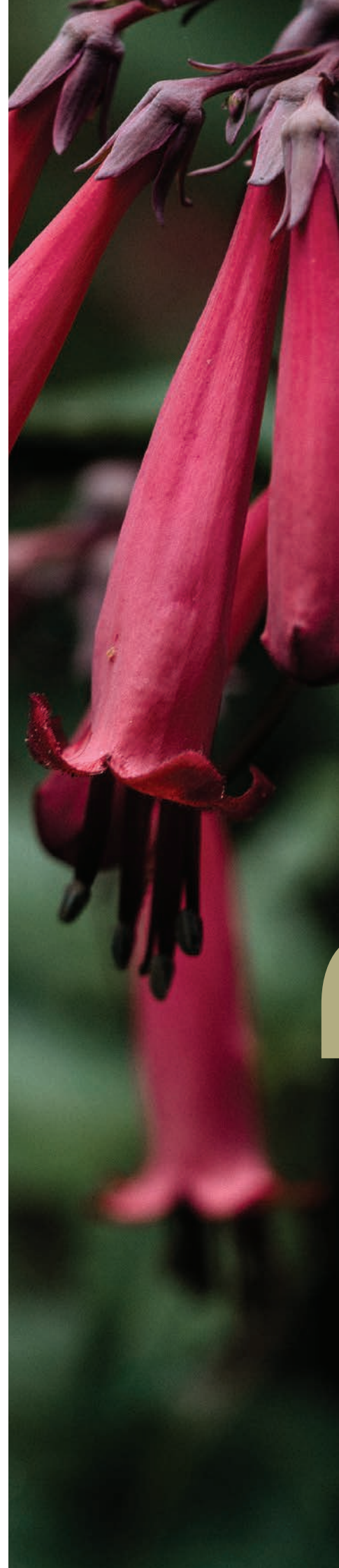
Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report, and the Financial Statements

The Governing Body is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with the requirements of the OfS Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in

accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of its income and expenditure, gains and losses and changes in reserves for that period.



In preparing each of the University financial statements, the directors are required to:

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

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The Governing Body is also responsible for ensuring that:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- the University's resources and expenditure are managed efficiently and effectively.

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

Section 172 Statement

As referenced in its Statement of Primary Responsibilities, the Governing Body has ultimate oversight and responsibility to approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders. Additional scrutiny and assurance take place through its standing committees.

The 2026 Strategy sets out the University's long-term strategic priorities and key performance indicators. The Governing Body monitors progress and performance against these measures and the institutional risk management framework. Long-term financial projections and plans, including pensions commitments, are reviewed, and approved periodically by the Finance and Capital Development Committee and the Governing Body.

The Governing Body includes an elected staff member, providing direct representation as well as an input and feedback mechanism with the broader staff body. On behalf of the Governing Body, the People Committee has oversight of the implementation of the People and Culture Strategy and monitors the wellbeing and general welfare of students and staff through consideration of relevant data and reports. The Governing Body also receives assurance that adequate provision has been made for the general welfare of students, in consultation with the Academic Board.

On behalf of the Governing Body



Professor Karen Bryan
Vice Chancellor
12 November 2020



Dame Julia Unwin
Chair and Pro Chancellor
12 November 2020

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University...



Independent Auditor's Report to the Governing Body of York St John University

Report on the audit of the financial statements

Opinion

We have audited the financial statements of York St John University ("the University") for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows, Statement of Principal Accounting Policies and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2020, and of the University's income and expenditure, gains and losses and changes in reserves, and cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education*;
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Governing Body's conclusions, we considered the inherent risks to the University's business model, and analysed how those risks might affect the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the University will continue in operation.

Other information

The Governing Body is responsible for the other information, which comprises the Strategic Review, Directors' Report and the Statement on Corporate Governance and Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Review, Directors' Report and the Statement on Corporate Governance and Internal Control, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent University, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Governing Body responsibilities

As explained more fully in their statement set out on pages 36 and 37, the Governing Body (the Directors of the University company for the purposes of company law) is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

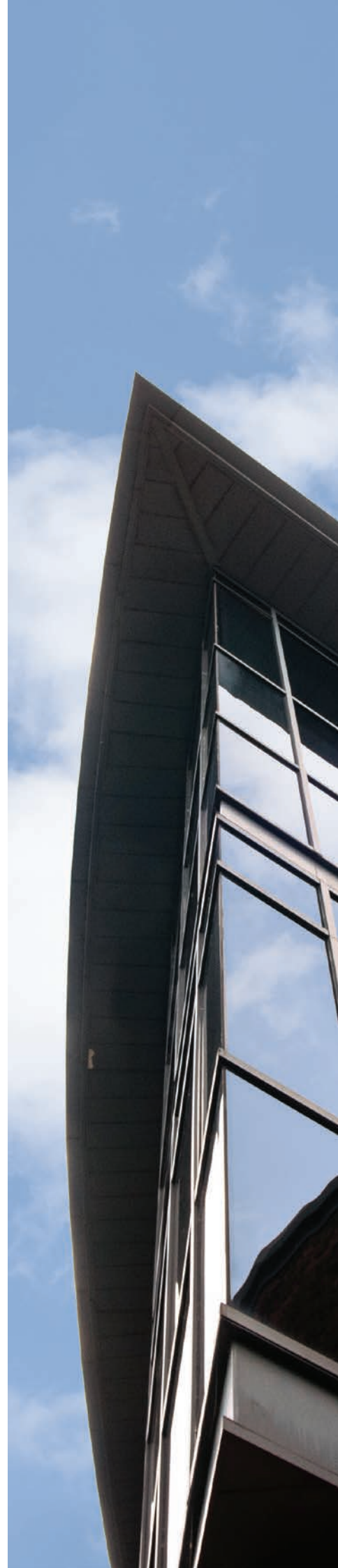
We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Articles of Government; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the University's expenditure on access and participation activities for the financial year disclosed in Note 12 has been materially misstated.





We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the University’s grant and fee income, as disclosed in note 4 to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Governing Body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 28 of the University’s Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Governing Body 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 Governing Body for our audit work, for this report, or for the opinions we have formed.

Clare Partridge
Senior Statutory Auditor

For and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

27 November 2020

Statement of Principal Accounting Policies

Basis of preparation

The University is a company limited by guarantee. Under the terms of the Articles of Association, the members of the University Governing Body have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

The University's financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of funding for higher education institutions issued by the Office for Students and the Terms and Conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Basis of consolidation

The University's subsidiary undertaking was placed into liquidation during the 2017–18 financial year and was dissolved on 9 October 2019. There has been no income or expenditure in 2019–20. Therefore, consolidated accounts are not required, and the accounts have been prepared on a single entity basis. Further details on the subsidiary undertaking are provided in Note 15 to the financial statements.

The financial statements do not include those of the Students' Union as it is a separate organisation in which the University has no control or significant influence over policy decisions.

Format of the accounts

The Directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

Recognition of income

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

Government grants including: funding council block grant; research grants from government sources; other grants and donations from non-government sources (including research grants from non-government sources) are recognised in the Statement of Comprehensive Income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met. Where there are no performance-related conditions then income is recognised in the period in which it is received.





Non-exchange transactions without performance-related conditions are donations and endowments.

Donations and endowments with donor-imposed restrictions are recognised in the Statement of Comprehensive Income when the University is entitled to the income. Income is retained within the restricted reserve until it is utilised in line with restrictions, when the income is released to general reserves through a reserve transfer. Donations with no restrictions are recorded within the Statement of Comprehensive Income when the University is entitled to the income. Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

Endowment and investment income is credited to income in the year in which it arises and is recorded as either restricted or unrestricted income according to the terms of the individual endowment fund.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. 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.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and the University can convert the donated sum into income.
4. 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.

Capital grants

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

Agency arrangements

Funds the University receives and disburses as an agent are excluded from the income and expenditure of the University on the basis that the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Pension schemes

Retirement benefits for employees of the University are provided by two pension schemes: the Teachers' Pension Scheme (TPS) for academic staff and the North Yorkshire Pension Fund (NYPF) for non-academic staff. The two schemes are externally funded and were contracted out of the Additional State Pension until the new State Pension was introduced on 6 April 2016.

The TPS is a multi-employer defined benefit scheme. Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period. Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS.





The NYPF is a multi-employer defined benefit pension scheme administered by North Yorkshire County Council as part of the Local Government Pension Scheme. The NYPF is valued every three years by a professionally qualified independent actuary and the University's share of the fund's assets and liabilities are identified. The assets of the NYPF are measured using closing market values. NYPF liabilities are measured using the projected unit method and discounted at the redemption yield on the iBoxx Sterling AA corporate bond index over a duration equivalent to the liabilities. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs.

The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gain/(loss) in respect of pension schemes.

Enhanced pensions

The actual cost of certain enhanced ongoing pensions to former members of staff is being paid by the University annually. An estimate of the change in expected future cost of these enhancements was charged in full to the income and expenditure account in the past. The provision for these costs is adjusted annually.

Employment benefits

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

Operating leases

Costs in respect of operating leases that are structured to increase by fixed amounts are recognised on a straight-line basis over the lease term.

Foreign currency translations

Transactions in foreign currencies are translated to the functional currency (pounds sterling) 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 (pounds sterling) at the rates of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit in the period in which they arise.



Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings that had been revalued to fair value on 1 August 2014 – the date of transition to the 2015 SORP – are measured based on deemed cost, being the revalued amount at the date of that revaluation. 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 as advised by the external valuer, which vary between 10 and 90 years. 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.

Additions to leasehold buildings are depreciated on a straight-line basis over the remaining life of the lease.

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

Buildings under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred prior to year-end. They are not depreciated until brought into use.

Motor vehicles, fixtures and fittings, computers, and other equipment: Assets costing £5,000 or more are assessed for capitalisation. Purchases under this value are written off to the Statement of Comprehensive Income in the year of acquisition.

Capitalised items are stated at cost and depreciated straight-line over their expected useful lives as follows:

- Equipment (including motor vehicles) – 5 years
- Fixtures and fittings – 10 years
- Computer hardware – 4 years
- Computer infrastructure – 5 years

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income in the period it is incurred. The University has a planned maintenance programme, which is reviewed on an annual basis. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Borrowing costs which are directly attributable to the construction of land and buildings are not capitalised as part of those assets but recognised as an expense in the Statement of Comprehensive Income in the period in which they are incurred.

Intangible fixed assets

Software: initial costs of acquiring rights to software and the costs of developing corporate information systems, including consultancy services and essential staff recruited specifically for that purpose, are capitalised and amortised on a straight-line basis over the expected useful life of the systems, being determined by contractual rights of use or other reasonable estimate. Assets under development are not amortised until brought in use.

Accounting for research and development: Expenditure on pure and applied research is treated as a part of the continuing activities of the University. Expenditure on development activities is carried forward and amortised over the period during which economic benefit is expected to be received.

Website development costs:

Design and content costs relating to the development of websites to support specific teaching or training courses, or for specific research projects, are capitalised. These are amortised over the useful economic life of projects.

Where there is uncertainty over the life of the course or its viability such costs are written off as incurred, as are design and content costs for websites that are for the general use of the University and its staff.

Stock

Stock is stated at the lower of cost or net realisable value. Stock held in academic departments is written off to the Statement of Comprehensive Income in the year of purchase. Where necessary, a provision is made for obsolete, slow moving, or defective stock.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are 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. These include term deposits held as part of the University's treasury management activities.

Provisions

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

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.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

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.

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 Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 (CTA 2010) 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund to perpetuity.

Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgments:

- Determine whether leases the University enters either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Fixed assets

Tangible and intangible fixed assets are depreciated over their useful lives taking account of residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors.

In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- North Yorkshire Pension Fund

The present value of the North Yorkshire Pension Fund defined benefit liability depends on several factors that are determined on an actuarial basis using a variety of assumptions.

Two recent legal developments affecting public sector pensions have been considered by the scheme actuary who has estimated their impact when valuing the pensions liability at 31 July 2020. These are the "McCloud judgement" which relates to transitional protection arrangements and age discrimination, and the "Guaranteed Minimum Pension indexation and equalisation" which relates to pension increases for individuals reaching state pension age. Further details including the costs recognised in 2019–20 arising from these additional liabilities are given in Note 27.

The assumptions used in determining the net cost (income) for pensions include the discount rate. Other sources of estimation uncertainty include risks associated with asset volatility, changes in bond yield, inflation risk, changes in life expectancy and the risk of other employers exiting the Fund. Any changes in these assumptions, which are disclosed in Note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

In 2019–20 the University successfully challenged the initial FRS102

Accounting Results Schedule provided by the NYPF actuary on the basis of the discount rate used, the inflation indices, salary increases and mortality tables. Under FRS 102.10.18 the University is disclosing the impact of the revised assumptions adopted in the financial statements as it constitutes a change in accounting estimates.

Going concern

The University's activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The University's cash flow, liquidity and borrowings are presented in the financial statements and accompanying notes.

The University's forecasts and financial projections indicate that it will be able to operate within its bank loan facilities and comply with all relevant covenants for the foreseeable future.

The University has prepared detailed cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Governors is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). The budget has been prepared on prudent assumptions with a comprehensive financial risk assessment taking into account the plausible downside and an agreed contingency plan to reduce the cost base should the worst-case scenario materialise.

Consequently, the Board of Governors is confident that the University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.



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Institution Statement of Comprehensive Income

Year ended 31 July 2020

	Note	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Income			
Tuition fees and education contracts	1	56,858	54,861
Funding body grants	2	3,750	3,859
Research grants and contracts	3	175	196
Other income	5	7,879	11,009
Investment income	6	144	137
Donations and endowments	7	19	14
Total income		68,825	70,076
Expenditure			
Staff costs	8	40,487	37,843
Other operating expenses		24,126	24,137
Depreciation and amortisation	13–14	3,687	4,650
Interest and other finance costs	9	1,116	1,026
Total expenditure	11	69,416	67,656
Surplus before other gains/(losses)		(591)	2,420
Gain/(loss) on disposal of fixed assets		5,632	7
Surplus before tax		5,041	2,427
Taxation	10	–	–
Surplus for the year		5,041	2,427
Unrealised surplus on revaluation of land and buildings	14	–	–
Actuarial gain/(loss) in respect of pension schemes	27	(4,396)	(4,872)
Total comprehensive income/(expenditure) for the year		645	(2,445)
Represented by:			
Endowment comprehensive income for the year	21	1	1
Restricted comprehensive income/(expenditure) for the year	22	(12)	(9)
Unrestricted comprehensive income/(expenditure) for the year		656	(2,437)
		645	(2,445)

All items of income and expenditure relate to continuing activities.

The accompanying policies on pages 42 to 48 and notes on pages 55 to 66 form part of these financial statements.

Institution Statement of Changes in Reserves

Year ended 31 July 2020

	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	reserve	
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2018	85	162	72,158	40,842	113,247
Surplus/(deficit) for the year	1	(9)	2,435	–	2,427
Other comprehensive income/(expenditure)	–	–	(4,872)	–	(4,872)
Transfers between revaluation and income and expenditure reserve	–	–	2,039	(2,039)	–
Total comprehensive income/(expenditure) for the year	1	(9)	(398)	(2,039)	(2,445)
Balance at 31 July 2019	86	153	71,760	38,803	110,802
Surplus/(deficit) for the year	1	(12)	5,052	–	5,041
Other comprehensive income/(expenditure)	–	–	(4,396)	–	(4,396)
Transfers between revaluation and income and expenditure reserve	–	–	638	(638)	–
Total comprehensive income/(expenditure) for the year	1	(12)	1,294	(638)	645
Balance at 31 July 2020	87	141	73,054	38,165	111,447

Institution Statement of Financial Position

As at 31 July 2020

	Note	As at 31 July 2020 £'000	As at 31 July 2019 £'000
Non-current assets			
Tangible assets	14	128,496	123,448
Intangible assets	13	895	0
		129,391	123,448
Current assets			
Stock	16	29	18
Trade and other receivables	17	2,528	3,031
Cash and cash equivalents	23	36,431	27,275
		38,988	30,324
Creditors: amounts falling due within one year	18	(11,265)	(8,332)
Net current assets		27,723	21,992
Total assets less current liabilities			
		157,114	145,440
Creditors: amounts falling due after more than one year	19	(23,497)	(19,832)
Provisions			
Pension provision	20	(22,170)	(14,806)
Total net assets			
		111,447	110,802
Restricted reserves			
Income and expenditure reserve – endowment reserve	21	87	86
Income and expenditure reserve – restricted reserve	22	141	153
Unrestricted reserves			
Income and expenditure reserve – unrestricted		73,054	71,760
Revaluation reserve		38,165	38,803
Total reserves			
		111,447	110,802

The accompanying policies on pages 42 to 48 and notes on pages 55 to 66 form part of these financial statements. The financial statements on pages 42 to 66 were approved by the Governing Body on 12 November 2020 and signed on their behalf by:



Professor Karen Bryan
Vice Chancellor



Dame Julia Unwin
Chair and Pro Chancellor

Institution Statement of Cash Flows

Year ended 31 July 2020

	Year ended 31 July 2020	Year ended 31 July 2019
Note	£'000	£'000
Cash flow from operating activities		
Surplus for the year before tax	5,041	2,427
Adjustment for non-cash items		
Depreciation	14	3,687
Amortisation of intangibles	13	–
Decrease/(increase) in stock	16	(11)
Decrease/(increase) in debtors	17	503
Increase/(decrease) in creditors	18	1,999
Increase/(decrease) in pension provision		2,968
		3,209
Adjustment for investing or financing activities		
Investment income	6	(144)
Interest payable		822
Endowment income		–
(Gain)/loss on disposal of tangible assets		(5,632)
Capital grant income	2	(299)
Cash flows from operating activities	8,934	11,428
Taxation	10	–
Net cash inflow from operating activities	8,934	11,428
Cash flows from investing activities		
Proceeds from sales of fixed assets		6,212
Capital grant receipts	2	299
Investment income	6	144
Payments made to acquire tangible assets		(8,671)
Payments made to acquire intangible assets		(795)
		(2,811)
		(4,608)
Cash flows from financing activities		
Interest paid		(819)
New unsecured loans		5,000
Repayments of amounts borrowed		(1,148)
		3,033
		(2,064)
Increase in cash and cash equivalents in the year		
		9,156
		4,756
Cash and cash equivalents at beginning of the year	23	27,275
Cash and cash equivalents at end of the year	23	36,431
		9,156
		4,756



Systems and Research
Elaine Wilson
Mark Henson Research
Elaine Wilson

Notes to the Financial Statements

Year ended 31 July 2020

	Year ended 31 July 2020	Year ended 31 July 2019
Note	£'000	£'000
1 Tuition fees and education contracts		
Full-time home and EU students	48,742	48,530
Full-time international students	5,682	3,353
Part-time students	841	557
Short course fees	532	587
Occupational and physiotherapy	275	1,550
Apprenticeship income	786	284
	56,858	54,861
2 Funding body grants		
Recurrent grants		
Office for Students	2,149	1,926
Research England	671	536
Specific grants		
Office for Students	618	899
Capital grant	299	478
Department for Education	13	20
	3,750	3,859
3 Research grants and contracts		
Research councils	21	11
Research charities	57	28
Government (UK and overseas)	7	22
Industry and commerce	3	–
Other	87	135
	175	196
4 Grant and fee income by source		
The source of grant and fee income included in Notes 1 to 3 is as follows:		
Grant income from the OfS	3,750	3,859
Grant income from other bodies	175	196
Fee income for taught awards (exclusive of VAT)	55,405	53,461
Fee income for research awards (exclusive of VAT)	692	524
Fee income from non-qualifying courses (exclusive of VAT)	761	876
Total grant and fee income	60,783	58,916
5 Other income		
Residences, catering and conferences	6,672	9,510
Other income	1,207	1,499
	7,879	11,009

	Note	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
6 Investment income			
Investment income on endowments	21	1	1
Investment income on restricted reserves	22	1	1
Other interest received		142	135
		144	137
7 Donations and endowments			
New endowments	21	–	–
Donations with restrictions	22	19	14
Unrestricted donations		–	–
		19	14
8 Staff costs			
Salaries		28,906	27,497
Social security costs		2,609	2,531
Other pension costs		7,968	7,172
Restructuring costs		1,004	643
		40,487	37,843

A further breakdown of pension costs has been included in Note 27.

Severance payments

During the year compensation for loss of office of £1.0m was payable (on an accruals basis) to 31 people (2018–19: £643k to 20 people).

	Year ended 31 July 2020 Number	Year ended 31 July 2019 Number
Average staff numbers by major category		
Average number of persons employed by the University		
Academic staff	420	398
Support staff	683	664
	1,103	1,062

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Emoluments of the Vice-Chancellor		
Professor Karen Stanton (left the University on 22/11/2019)		
Salary	66	208
Bonus	–	–
Employer's pension costs	–	–
Total including pension costs	66	208
Professor Karen Bryan (joined the University on 01/04/2020)		
Salary	66	–
Bonus	–	–
Payments in lieu of pension contributions	11	–
Total including pension costs	77	–

The Remuneration Committee (Vice Chancellor) is responsible for determining the remuneration, conditions of service and any severance arrangements for the University's Vice Chancellor. The Vice Chancellor does not sit on this Committee. In determining the remuneration of the Vice Chancellor, consideration is given to established independent sources of the benchmark reward data for roles in comparable organisations. The Committee's approach to setting remuneration is with reference to market rates, benchmark information and the national pay award; and the factors used in considering reward proposals related to individual performance objectives in support of the University's strategic priorities. The University's Scheme for the Determination of Salary Increases and Performance Bonuses clearly establishes that decisions made will be subject to affordability each year and a limit is placed on the total value of non-consolidated bonuses.

One of the factors considered by the Remuneration Committee (Vice Chancellor) is the pay multiple of the Vice Chancellor's earnings against the median and mean of all staff. The University Council for Educational Administration (UCEA) has published sector-level multiples using institutional-level data provided by Universities in their annual reports, with the average multiple for 2019 being 7.

Professor Karen Stanton, Vice Chancellor until 22/11/2019: No bonus was awarded or paid to Professor Stanton in 2019–20 (2018–19: nil). In 2019–20 Professor Stanton's basic pay was 6.7 times (2018–19: 7.0 times) the median basic pay of staff, calculated on a full-time equivalent basis. Professor Stanton's total remuneration was 5.9 times (2018–19: 6.1 times) the median total remuneration of staff, calculated on a full-time equivalent basis. Professor Stanton did not receive pension contributions from the University.

Professor Karen Bryan, Vice Chancellor from 01/04/2020: No bonus was awarded or paid to Professor Bryan in 2019–20. In 2019–20 Professor Bryan's basic pay was 6.4 times the median basic pay of staff, calculated on a full-time equivalent basis. Professor Bryan's total remuneration was 6.1 times the median total remuneration of staff, calculated on a full-time equivalent basis. Professor Bryan receives payment in lieu of pension contributions.

	Year ended 31 July 2020 Number	Year ended 31 July 2019 Number
Remuneration (excluding employer's pension contribution) paid in year to other higher paid staff:		
£100,000 – £104,999	1	–
£105,000 – £109,999	–	–
£110,000 – £114,999	–	–
£115,000 – £119,999	–	–
£120,000 – £124,999	1	2
£125,000 – £129,999	–	–

Key management personnel

Key management personnel are those with authority and responsibility for planning, directing and controlling the activities of the University. For the purposes of this note this is defined as members of the University's Executive Board. During the year, remuneration payable to key management personnel (including employer's pension contributions) was £864k (2018–19: £1,371k). The number of posts included within key management personnel was 8 (2018–19: 11). Not all of these posts were in effect for the full year.

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
9 Interest and other finance costs		
Loan interest	822	874
Net charge on pension scheme	27	152
	1,116	1,026

10 Taxation

The Governing Body do not believe that the University is liable for any corporation tax arising out of its activities.

	Year ended 31 July 2020 Total £'000	Year ended 31 July 2019 Total £'000
11 Analysis of total expenditure by activity		
Academic departments	25,784	23,775
Academic services	10,575	9,665
Premises	7,718	8,000
Residences, catering and conferences	8,424	8,986
Research grants and contracts	178	96
Administration and central services	7,898	8,697
General educational expenditure	5,140	4,664
Staff and student facilities	3,699	3,773
	69,416	67,656

Administration and central services expenditure includes the charges relating to the North Yorkshire Pension Fund detailed in Note 27.

	£'000	£'000
Other operating expenses include (inclusive of VAT where applicable)		
External auditors remuneration in respect of:		
Audit of financial statements	66	38
Audit related assurance services	10	4
Other services	32	48
Internal auditors	44	53
Operating lease rentals:		
Land and buildings	4,477	4,378
Other	40	43

12 Access and Participation

Access Investment	1,305
Financial Support	981
Disability Support	192
Research and Evaluation (i)	186
	2,664

(i) £56k of these costs are already included in the overall staff costs figures included in the financial statements, see note 8.

The year 2019–20 is the first that this Note has been required by the OfS; comparative figures for 2018–19 are not available. The University's access and participation plan is published at <https://www.yorks.ac.uk/media/development-assets/common-footer/Access-and-participation-plan-2020-21-to-2024-25.pdf>

	Software £'000	Assets in Development £'000	Total £'000
13 Intangible assets			
Opening balance	–	–	–
Additions in the year		895	895
Amortisation charge for the year	–	–	–
Closing balance	–	895	895

The addition during the year relates to the creation of a software intangible asset which was still in development at 31 July 2020. When the asset is brought into use it will be amortised over the period of contractual rights of use.

	Freehold Land and Buildings £'000	Leasehold improvements £'000	Fixtures & Fittings £'000	Computers £'000	Equipment £'000	Assets in the Course of Construction £'000	Total £'000
14 Tangible Fixed Assets							
Cost or valuation							
At 1 August 2019	126,739	–	3,232	6,229	6,227	2,692	145,119
Additions	3,288	1,039	78	511	1,046	3,353	9,315
Transfers	275	–	–	–	–	(275)	–
Impairments	–	–	–	–	–	–	–
Disposals	(619)	–	–	(63)	(7)	–	(689)
At 31 July 2020	129,684	1,039	3,310	6,677	7,266	5,770	153,746
Depreciation							
At 1 August 2019	10,166	–	2,173	4,797	4,535	–	21,671
Charge for the year	2,149	–	206	675	657	–	3,687
Transfers	–	–	–	–	–	–	–
Impairments	–	–	–	–	–	–	–
Disposals	(46)	–	–	(56)	(7)	–	(109)
At 31 July 2020	12,269	–	2,379	5,416	5,185	–	25,249
Carrying amount							
At 31 July 2020	117,414	1,039	931	1,261	2,081	5,770	128,496
At 31 July 2019	116,573	–	1,059	1,432	1,692	2,692	123,448

At 31 July 2020, freehold land and buildings included £23.8m (2019: £22.1m) in respect of freehold land which is not depreciated. During the year, land and buildings at Hull Road were sold for £6.2m; the carrying amount at 31 July 2019 was £573k.

15 Subsidiary undertakings

The University has no subsidiary undertakings. The former wholly owned subsidiary in Malaysia, York SJ Sdn. Bhd, which co-ordinated student recruitment in the Far East, ceased trading in April 2017 and was placed into liquidation on 18 August 2017. The company was dissolved on 9 October 2019.

	31 July 2020 Total £'000	31 July 2019 Total £'000
16 Stock		
General consumables	29	18
	29	18
17 Trade and other receivables		
Amounts falling due within one year:		
Trade receivables	1,812	883
Prepayments and accrued income	716	2,148
	2,528	3,031
18 Creditors: amounts falling due within one year		
Unsecured loans	1,176	1,148
Trade payables	1,162	773
Social security and other taxation payable	731	753
Accruals and deferred income	8,196	5,658
	11,265	8,332

	31 July 2020 Total £'000	31 July 2019 Total £'000
19 Creditors: amounts falling due after more than one year		
Unsecured loans: amounts payable in		
1 to 2 years	1,205	1,176
2 to 5 years	5,577	3,710
More than 5 years	15,395	13,467
	22,177	18,353
Deferred income	1,320	1,479
	23,497	19,832

The 25-year loan facility of £13m (balance outstanding at year end: £9.5m) on a fixed interest rate is due to be repaid in July 2033, and the loan of £12m (balance outstanding at year end: £8.8m) on a variable interest rate is due to be repaid in September 2026. £5m has also been drawn down from an available revolving credit facility of £10m; this facility is convertible into a term loan from September 2022. All loans are unsecured.

	Obligation to fund deficit on NYPF £'000	Enhanced pensions £'000	Total Pensions Provisions £'000
20 Pension Provision			
At 1 August 2019	14,438	368	14,806
Utilised in year		(49)	(49)
Additions in year	7,388	25	7,413
Unused amounts reversed in year		–	–
At 31 July 2020	21,826	344	22,170

Defined benefit obligations relate to the liabilities under the University's membership of the North Yorkshire Pension Fund (NYPF). Further details are given in Note 27. The enhanced pension provision relates to the cost of staff who have already left the University's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2020 Total £'000	2019 Total £'000
21 Endowment Reserves					
Balances at 1 August:					
Capital	31	–	55	86	85
Accumulated income	–	–	–	–	–
	31	–	55	86	85
New endowments	–	–	–	–	–
Investment income	1	–	–	1	1
Expenditure	–	–	–	–	–
Total endowment comprehensive income for the year	1	–	–	1	1
Balance as at 31 July	32	–	55	87	86
Represented by:					
Capital	31	–	55	86	85
Accumulated income	1	–	–	1	1
	32	–	55	87	86

	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2020 Total £'000	2019 Total £'000
Analysis by type of purpose:					
Scholarships and bursaries	32	–	–	32	31
General	–	–	55	55	55
	32	–	55	87	86

Endowment reserves are all held as cash and cash equivalents.

	Year ended 31 July 2020 Total £'000	Year ended 31 July 2019 Total £'000
22 Restricted Reserves		
Balance at 1 August	153	162
New donations	19	14
Investment income	1	1
Expenditure	(32)	(24)
Restricted comprehensive income/(expenditure) for the year	(12)	(9)
Balance at 31 July	141	153

Analysis of other restricted funds/donations spent in the year by type of purpose:

Scholarships and bursaries	31	23
Prize funds	1	1
	32	24

	At 1 August 2019 £'000	Cash flows £'000	At 31 July 2020 £'000
23 Cash and cash equivalents			
Cash and cash equivalents	27,275	9,156	36,431
	27,275	9,156	36,431

	Year ended 31 July 2020 Total £'000	Year ended 31 July 2019 Total £'000
24 Reconciliation of net debt		
Consolidated reconciliation of net debt:		
Net debt 1 August	(7,774)	
Movement in cash and cash equivalents	(9,156)	
Movement in borrowings	3,852	
Net debt 31 July	(13,078)	
Change in net debt	(5,304)	

Analysis of net debt:

Cash and cash equivalents	36,431	27,275
Borrowings: amounts falling due within one year		
Unsecured loans	1,176	1,148
Borrowings: amounts falling due after more than one year		
Unsecured loans	22,177	18,353
Net debt/(cash)	(13,078)	(7,774)

31 July 2020 **31 July 2019**
Total £'000 **Total £'000**

25 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July:

Commitments contracted for	11,931	460
	11,931	460

	Land & Buildings £'000	Plant & machinery £'000	2020 Total £'000	2019 Total £'000
26 Lease obligations				
Total rentals payable under operating leases:				
Payable during the year	4,477	40	4,517	4,420
Future minimum lease payments due:				
No later than 1 year	1,212	40	1,252	3,891
Later than 1 year and not later than 5 years	3,773	80	3,853	3,145
Later than 5 years	490	–	490	103
Total lease payments due	5,475	120	5,595	7,139

27 Pensions

Retirement benefits for employees of the University are provided by defined benefit schemes which are funded by contributions from the University and employees. Payments are made to the Teachers' Pension Scheme (TPS) for academic staff and the North Yorkshire Pension Fund for non-academic staff. These are independently administered schemes.

The contribution of the University as a percentage of pensionable salaries in 2019–20 was:

for academic staff, 16.48% up to 31 August 2019; and 23.48% from 1 September 2019 (including 0.08% administration charge); for non-academic staff, 15.80% up to 31 March 2020; and 17.30% from 1 April 2020

	Year ended 31 July 2020 Total £'000	Year ended 31 July 2019 Total £'000
Total pension costs included in staff costs for the year		
Teachers' Pension Scheme: contributions paid *	3,108	2,135
North Yorkshire Pension Fund: charge to Income & Expenditure Account	4,814	5,368
Other pension cost adjustments	20	(302)
Enhanced pension charged to the Income & Expenditure Account	26	(29)
	7,968	7,172

* Due to the mutual nature of the scheme it is not possible to identify each institution's share of the underlying liabilities and assets of the Teachers' Pension Scheme. Under FRS 102(28) contributions to the scheme are to be accounted for as if it was a defined contribution scheme. As a result the amount charged to the Income & Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

North Yorkshire Pension Fund: non-academic staff

i) The 2019 valuation

The North Yorkshire Pension Fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. The 2019 valuation was based on the following assumptions:

	Per annum 2019	Per annum 2016
Rate of salary increase	3.35%	3.25%
Rate of increase of present value and future pensions	2.10%	2.00%

The actuarial valuation showed the market value of the scheme's assets at 31 March 2019 was £3,575 million (2016: £2,418 million) and that the actuarial value of these assets represented 114% (2016: 90%) of the past service benefits that has accrued to members after allowing for expected increases in earnings.

ii) FRS 102 valuation as at 31 July 2019

Under the definitions set out in FRS 102, the North Yorkshire Pension Fund is a multi-employer defined benefit pension scheme, administered by North Yorkshire County Council. The actuary of the scheme has identified the University's share of the fund's assets and liabilities for non academic staff as at 31 July 2020.

It is based upon a full actuarial valuation of the Fund at 31 March 2019 updated to 31 July 2020 by an independent actuary. The end of year figures for the market value of the assets and split of assets between investment categories have been calculated as at 31 July 2020.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the Scheme after consultation with professional advisers.

	Start of the Year	End of the Year	
The actuarial assumptions made for this valuation were:			
Rate of inflation (CPI)	2.20%	2.05%	
Rate of increase in salaries	3.45%	1.90%	
Rate of increase in pensions	2.20%	2.05%	
Discount rate	2.20%	1.45%	
Life expectancies – years			
Member aged 65 at accounting date	Males	21.9	21.4
	Females	25.1	23.5
Member aged 45 at accounting date	Males	23.6	22.7
	Females	26.9	25.0

Recent legal developments have increased the liabilities calculated by the actuaries to be recognised in the year end accounts provision.

McCloud judgement

In December 2018 the Court of Appeal ruled that transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government appealed to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the Government's request on 27 June 2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation. In a Ministerial Statement dated 15 July 2019 Government committed to extending a remedy across all public sector schemes which included similar transitional protection arrangements, which includes NYPF (as part of the LGPS).

The Guaranteed Minimum Pension (GMP) indexation and equalisation

In January 2018 Government committed the LGPS to pay full pension increases on GMPs to individuals reaching state pension age between 6 December 2018 and 5 April 2021, and indicated that it is committed to continuing to compensate all members of public sector pension schemes reaching state pension age after 5 April 2021.

The impact of both of these changes was recognised in Past Service Costs in year ended 31 July 2019. Any further increases to the pension liability provision to allow for McCloud and GMP at 31 July 2020 have been accounted for through Other Comprehensive Income.

	Year ended 31 July 2020	Year ended 31 July 2019
	Total £'000	Total £'000

iii) The results of the FRS 102 valuation at 31 July 2020, included in the Financial Statements

Charges to Income & Expenditure Account

Staff Costs

Current service costs	4,796	3,268
Past service costs	18	2,100
	4,814	5,368

Interest Payable

Interest income on assets	(1,571)	(1,845)
Interest on pension liabilities	1,865	1,997
	294	152

Movement in the deficit during the year

Deficit in the scheme at 1 August	14,438	6,274
Current service costs	4,796	3,268
Employer contributions	(2,116)	(2,228)
Past service costs	18	2,100
Net interest/return on assets	294	152
Actuarial loss/(gain)	4,396	4,872
Deficit in the scheme at 31 July	21,826	14,438

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

At the beginning of the year	85,151	71,373
Current service costs	4,796	3,268
Interest costs	1,865	1,997
Contributions by scheme participants	835	766
Past service costs	18	2,100
Benefits paid	(1,620)	(1,728)
Actuarial loss/(gain)	9,894	7,375
At the end of the year	100,939	85,151

Analysis of the movement in the market value of scheme assets

At the beginning of the year	70,713	65,099
Expected return on pension scheme assets	1,571	1,845
Contributions by employer	2,116	2,228
Contributions by scheme participants	835	766
Benefits paid	(1,620)	(1,728)
Actuarial (loss)/gain	5,498	2,503
At the end of the year	79,113	70,713



The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a "pay as you go" basis. These contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Government Actuary's Department on 5 March 2019. Following this valuation, employer contribution rates increased from 16.48% of pensionable pay to 23.48% from 1 September 2019 (including administration fees of 0.08%).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £3,108,000 (2018–19: £2,135,000).

28 Related party transactions

During the year the University entered into transactions, in the ordinary course of business, with other related parties.

The Governors are the trustees for charitable law purposes. The Governors and their connected persons have received no remuneration during the year. Due to the nature of the University's operations and the composition of the Governing Body (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

Relevant transactions which have been identified as requiring disclosure are as follows:

Related party	Income (£)		Expenditure (£)		Debtor/(creditor)	
	2020	2019	2020	2019	2020	2019
British Association for Applied Linguistics (BAAL)	250	–	110	10,622	–	–
Council of Church Universities and Colleges	21,129	21,082	3,901	3,901	15,587	19,205
Changing Lives	–	–	300	1,682	–	–
GuildHE	–	–	23,570	22,285	–	–
The Laurence Sterne Trust	–	–	250	–	–	–
Make it York	–	750	534	2,832	(480)	–
The Ministry of Justice	480	–	–	–	480	–
Our Children 1st Academy Trust	–	–	123,343	149,916	–	–
Poppleton Road Primary School	–	–	350	300	–	–
OED Foundation	–	–	25,000	5,596	–	–
UCAS	–	–	101,368	116,663	–	–
York Citizens Theatre Trust	–	–	922	171	–	–
York College	85,760	96,180	30,369	33,652	–	–
York Guildhall Orchestra	886	715	6,000	6,000	126	–
York LGBT Pride	–	–	1,750	1,500	–	–
Yorkshire and Humber Institute of Technology	124,355	–	–	–	–	–
Yorkshire Film Archive	12,242	10,420	39,000	15,000	28	22
Yorkshire Universities	–	316	9,006	5,810	–	–
York St John Students' Union	473,929	502,093	631,012	599,479	36,057	42,817

The University made a grant to the York St John Students' Union of £471,000 (2018–19: £486,000).

The total expenditure incurred and expenses claimed by 10 Governors and External Committee members amounted to £4,422 (2018–19 £6,274 to 12 people) paid relating to travel, subsistence and accommodation.

29 Events after the reporting period

There are no events after the reporting period to disclose.

The financial statements were authorised for issue on 12 November 2020 by the Governing Body.



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