

# Yorkshire Universities

2019–20 Annual Report  
and Accounts



**Reference and administrative details for the year ended 31 July 2020**

**Registered office:** 22 Clarendon Place, Leeds, LS2 9JY

**Registered company number:** 03467035

**Registered charity number:** 1109200

**Independent examiner:** Mark Heaton FCCA DChA FCIE  
KM Chartered Accountants  
1<sup>st</sup> Floor Block C  
The Wharf  
Manchester Road  
Burnley  
Lancashire  
BB11 1JG

**Bankers:** Unity Trust Bank plc  
Nine Brindley Place  
Birmingham  
West Midlands  
B1 2HB

Cambridge & Counties Bank  
Charnwood Court  
5B New Walk  
Leicester  
LE1 6TE

Manchester Building Society  
125 Portland Street  
Manchester  
M1 4QD

## CONTENTS

Chair's foreword.....	1
Statement of trustees' responsibilities .....	2
Governance, structure and risk management.....	3
Mission .....	5
Objectives and achievements .....	5
Future plans.....	11
Financial review .....	12
Report of the independent examiner to the Trustees of Yorkshire Universities.....	13
Statement of financial activities .....	14
Balance sheet .....	15
Notes to the financial statements .....	16

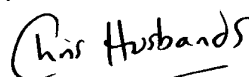
## CHAIR'S FOREWORD

As we know, 2020 has been an unprecedented year. COVID-19 has impacted upon the lives of so many people across the world, and the people, places, businesses and communities of Yorkshire have felt the impacts acutely.

This year, YU began to implement its 2019-22 Strategy, which focuses on the strategic priorities of 'Ideas', 'Talent' and 'Communities'. When the pandemic took hold, we took immediate steps to reflect upon our priorities, to ensure that they still provided a framework in which to convene and deploy the collective contribution of the higher education sector to tackling the crisis that we have found ourselves facing. The review reaffirmed the importance of our strategy. With a new government promising to 'level up' the regions, strengthening the role of universities in localities and regions, as civic anchor institutions, has never been more essential. Despite the headwinds, we have made impressive progress delivering against the objectives and priorities in the Strategy. As the consequences of COVID-19 for the higher education sector became more visible, we also agreed in July to reduce member subscriptions for the year 2020-21. I am grateful to the members of the Board for their continued commitment to YU, and to the Executive Director, Dr Peter O'Brien and his team for running an effective and efficient operation.

In 2019-20, we welcomed Professor Karen Bryan, the new Vice-Chancellor of the York St John University, to the Board, taking over from Professor Karen Stanton, who moved to Solent University. This year also saw Sir Alan Langlands, Vice-Chancellor of the University of Leeds and Professor Margaret House, Vice-Chancellor of Leeds Trinity University, announce that they would be retiring. We thank them both for their leadership and long-standing support for YU, and we wish them well in retirement. We welcome and look forward to working with Professor Simone Buitendijk, the new Vice-Chancellor at Leeds, and Professor Charles Egbu, the new Vice-Chancellor at Leeds Trinity. I was also delighted that Professor Shirley Congdon, Vice-Chancellor of the University of Bradford, was appointed as my successor as YU Chair. As the first female Chair of the Board, this is both an historic and long-overdue moment, and Shirley's drive to expand social inclusion, and improve health and well-being, is needed more than ever.

As my two-year tenure as YU Chair comes to an end, I believe that YU has made real strides in making the case for what our members contribute towards the region's long-term prosperity. In May, we produced a robust case for how YU members had helped to tackle the health consequences of the pandemic and will be vital to the economic and social recovery and rebuilding that is now going to be needed. This statement secured widespread public support from leaders in each of the four city/sub-regions in Yorkshire. In these uncertain times, we need to maintain a coherent and inclusive approach to higher education, research, economic development and social cohesion within and across the region. This should be underpinned by YU members' diverse, but distinct assets and strengths, and a sector that always looks outward. If we continue to do this, then together we and our partners will achieve so much more for Yorkshire.



**Professor Sir Chris Husbands**  
**Chair of the Board**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Yorkshire Universities for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. These should give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP).
- 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## GOVERNANCE, STRUCTURE AND RISK MANAGEMENT

### Governance

Founded in 1987, Yorkshire Universities (YU) is a charity and a company limited by guarantee. Its governing documents are the Articles of Association, last amended on 2 July 2020 can be accessed on the YU website under the [Members and Governance page](#).

YU represents eleven universities and one specialist higher education institution: the universities of Bradford, Huddersfield, Hull, Leeds, Leeds Arts, Leeds Beckett, Leeds Trinity, Sheffield, Sheffield Hallam, York, and York St John, together with Leeds College of Music. The vice-chancellors and principals of these institutions are the members of the company, forming its board of directors. The Board meets three times a year, regularly monitoring the organisation's performance, and setting the strategic priorities for YU.

#### Board of Trustees:

Leeds Arts University	<b>Professor Simone Wonnacott, Vice-Chancellor</b>
Leeds College of Music	<b>Mr Gerry Godley, Principal &amp; Managing Director</b>
Leeds Beckett University	<b>Professor Peter Slee, Vice-Chancellor</b>
Leeds Trinity University	<b>Professor Margaret House, Vice-Chancellor</b>
Sheffield Hallam University	<b>Professor Sir Chris Husbands, Vice-Chancellor</b>
University of Bradford	<b>Professor Shirley Congdon, Vice-Chancellor</b>
University of Huddersfield	<b>Professor Bob Cryan, Vice-Chancellor</b>
University of Hull	<b>Professor Susan Lea, Vice-Chancellor</b>
University of Leeds	<b>Professor Sir Alan Langlands, Vice-Chancellor</b>
University of Sheffield	<b>Professor Koen Lamberts, Vice-Chancellor</b>
University of York	<b>Professor Charlie Jeffery, Vice-Chancellor</b> <i>(Appointed 01.09.19)</i>
	<b>Professor Saul Tendler, Acting Vice-Chancellor</b> <i>(Resigned 31.08.19)</i>
York St John University	<b>Professor Karen Bryan, Vice-Chancellor</b> <i>(Appointed 01.04.20)</i>
	<b>Mr Robert Hickey, Chief Operating Officer</b> <i>(Appointed 25.11.19, Resigned 31.03.20);</i>
	<b>Professor Karen Stanton, Vice-Chancellor</b> <i>(Resigned 22.11.19)</i>

## **New trustees**

New trustees are welcomed by the Chair of the Board and the Executive Director (ED), and receive briefings about the strategic aims and objectives of YU. Any further initial preparation is agreed on an individual basis. YU maintains a staff handbook, which includes policies, procedures and governance information; this is regularly updated. The ED reports on attendance at the Board to the Chair, agreeing any necessary action.

## **The Board has two sub-committees:**

- The Audit Committee: that reviews YU's policies and procedures and authorises any changes; it oversees the organisation's independent examination and advises the Board on follow-up actions. The Audit Committee meets at least twice a year.
- The Human Resources Committee: chaired by the Chair of the Board, is responsible for appointing and performance-managing the ED and dealing with relevant staffing issues as necessary. The HR Committee meets at least once a year.

## **Structure**

As of 31 July 2020, the YU core Executive Team consisted of the following:

Two employees:

- Dr Peter O'Brien, Executive Director (also Company Secretary);
- Monika Antal, Executive Manager.

Four contractors:

- Executive Assistant (Emma Dick);
- Accountant (Mark Hill);
- and two associates who support the ED and Executive Manager in policy development and implementing the strategic and operational plans (Professor Roger Lewis and James Ransom).

## **Risk management**

For membership organisations, such as YU, the principal risks relate to member engagement and maintaining sufficient income levels for the charity to continue and to develop and deliver its work. Additionally, risks are posed by changes in the external macro environment, such as new government policy. These risks are reviewed on a regular basis and action taken as appropriate. YU reviews its strategy continually to ensure it remains current and resilient; the new strategy for 2019-22 was approved by the Board in July 2019. The organisation monitors its staffing complement to ensure it maintains sufficient capacity and appropriate structures to carry out operations aligned with its strategy. The trustees have examined the major strategic, business and operational risks that the charity faces and can confirm that systems have been established to enable regular reviews to be carried out to ensure necessary steps can be taken to mitigate these risks.

## Implications of COVID-19

Given the uncertainty and financial pressures caused by the pandemic across the whole of the HE sector, including YU members, a decision was taken at the 1 July 2020 board meeting to reduce baseline costs in the YU budget, which, as a result, saw overall membership subscription fees revised to under £200k for 2020-21.

## MISSION

“Through our strategy, we will work collectively and collaboratively with partners to create more prosperous, inclusive and sustainable economies and communities in Yorkshire.”

## Vision

“As a regional partnership of higher education institutions, we have a shared commitment to place and to supporting aspiration and opportunity.”

## Meeting and reporting on public benefit

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission’s general guidance on public benefit, ‘Charities and Public Benefit’. The structure of the trustees’ annual report allows us to report on our strategic aims, our activities and achievements during the year and also outline our plans for 2021-22. We have embedded examples of how YU meets the public benefit requirement throughout our report. Examples of highlights can be found in the next section; you can find a detailed version of the [YU 2019-22 Strategy on the website](#).

## OBJECTIVES AND ACHIEVEMENTS

Building on the 2018-19 operational plan, YU’s three-year 2019-22 strategy focuses upon delivering activity against three priorities, each with specific objectives:

1. Ideas: Strengthen HE contributions towards increased research and innovation activity in the region.
2. Talent: Extend and deepen partnership to improve higher level skills pathways into continuous development and learning.
3. Communities: Ensure universities / HE are recognised as influential anchor institutions.

In addition, there are a number of cross-cutting enabling mechanisms: governance, finance, communications, partnerships, executive services, intelligence & analysis, monitoring & evaluation, each with specific objectives. A summary is given below of the objectives for each of these four priority areas, together with examples of what has been achieved.

### 1. Ideas

#### Objectives:

- Promote HE research and innovation (R&I) assets and strengths within Yorkshire



- Persuade government, UK Research & Innovation (UKRI), Local Enterprise Partnerships (LEPs) and others to create more place-sensitive R&I systems
- Encourage members to connect R&I capabilities across institutions and disciplines
- Advocate stronger integration of R&I with economic development policies (including skills' policies), strategies and funding

#### **Achievements:**

- Mapped the R&I strengths of the Leeds City Region (LCR) YU members against the Industrial Strategy Grand Challenges. This formed the evidence base for, and directly informed the draft priorities of, the Local Industrial Strategy (LIS) prepared by the West Yorkshire Combined Authority (WYCA).
- YU's Executive Director chaired the independent expert panel who scrutinised and influenced the LIS process in West Yorkshire.
- Since the outbreak of COVID-19, YU mapped members activity and research to support the fight against the virus. This overview informed a number of communications including the UUK's national #WeAreTogether campaign and report (see other related communications listed below).
- Co-authored, with the N8 Research Partnership two joint papers: one responding to Research England (RE) Executive Chair's questions about place and R&I, the other informing the Business Energy, Industrial Strategy (BEIS) economic recovery roundtables. These publications directly informed the UKRI Place Working Group and the BEIS Place Strategy.
- Influenced the LEP and Strategic Economic Plan (SEP) priorities and supported the drive for more private sector investment in innovation via the West Yorkshire Innovation Network (WYIN) to which YU was invited as a key stakeholder.
- Encouraged members to respond to the pilot UK Place and Engagement funding call. As a result, the universities of Bradford, Hull and York secured funding from this call.

#### **Related consultation responses:**

[HM Treasury Green Book Review](#)  
[York, North Yorkshire and East Riding \(YNYER\) LIS](#)  
[Humber LIS consultation](#)  
[UK Research & Development Roadmap](#)  
[West Yorkshire Devolution Deal](#)  
[Yorkshire & North Lincolnshire All Party Parliamentary Group \(APPG\)](#)  
[Post-pandemic economic growth – BEIS Select Committee](#)

#### **Related think pieces and communications:**

['Levelling up' the UK regions](#)  
[Budget 2020](#)  
[The COVID-19 crisis](#)  
[Place, the economy and COVID-19](#)  
[Innovation Deals](#)

### **Speaking roles and presentations:**

YU Executive Director (ED) spoke at the launch event of the Future Economies Research Centre at Manchester Metropolitan University.

YU ED presented a paper at the Regional Studies Association North America Conference in Montréal on the subject of regional innovation.

YU secured a speaking role for the Chair of the Board at the Convention of the North Summit in Rotherham.

## **2. Talent**

### **Objectives:**

- Strengthen knowledge of the supply and demand for higher level skills in the region
- Work with members and partners to improve graduate retention and job accessibility in the region
- Align technical and vocational training, skills and learning to key sector and industry needs
- Increase knowledge exchange and diffusion to support high growth, innovation and scaled-up firms

### **Achievements:**

- Supported the development of a multi-university network: Place-Based Economic Recovery Network (PERN) of experts in local and regional economic recovery, to offer real-time support to WYCA and other public bodies, to plan and implement COVID recovery efforts. This formed part of the effort to develop proposals to strengthen foresight and analytical capacity based on university, LEP, CA and other partner expertise in the region.
- Worked with the Association of Graduate Careers Advisory Services (AGCAS), the Regionalisation Working Group to which YU was invited as an external stakeholder, to produce a toolkit to better understand the demand for, and supply of, graduates in regional labour markets. This formed part of the effort to support graduate retention and employability in Yorkshire.
- Supported the Office for Students/Research England Student Knowledge Exchange funding call, as result of which Huddersfield, Sheffield, York and York St John were funded.
- Produced a paper on 'Five higher level skills ideas'; this was presented to the WYCA and Massachusetts Institute of Technology (MIT) Regional Entrepreneurship Acceleration Programme (REAP) Team. Go Higher West Yorkshire is progressing one of the proposed ideas on improving access points of entry into HE.
- Agreed with the National Centre for Universities and Business (NCUB) to hold a joint-roundtable to discuss the Rees 'University-Investor' Review and investment into HE-supported projects.
- Mapped Knowledge Transfer Partnership (KTP) activity and investment in the region, working with Innovate UK to align this activity to economic development via the WYIN.

- ED invited to take part in a Leeds City Region (LCR) creative industries skills group and was nominated to be the HE representative for the LCR Employment and Skills Advisory Panel, forming part of the effort to strengthen YU's involvement in regional skills partnerships and co-ordinate input to the refreshed Employment and Skills Plan of West Yorkshire.
- Produced a discussion paper, held a roundtable and responded to the Future Ready Skills Commission review of devolved skills systems. These activities enabled YU to form stronger links with the Further Education (FE) sector and local councils.

**Related consultation response:**

Future Ready Skills Commission Interim Report Feedback by YU

**Think pieces and communications:**

Starting and scaling up business...in a period of recovery  
COVID-19 and beyond: understanding student expectations  
Over to online learning

**3. Communities**

**Objectives:**

- Stimulate and share learning on civic universities and anchor institution strategies and activities
- Promote the public value of HE in and for the region
- Strengthen partnerships between HE, health and other sectors to drive more inclusive growth and well-being
- Support members to address the issues arising from climate change

**Achievements:**

- YU ED was invited to become member of the Civic University Commission Working Group and YU is part of the ongoing dialogue on the civic university agenda with key actors such as the Civic University Network (CUN) Hub hosted by Sheffield Hallam University.
- Held a roundtable to present the findings from the Urban Living Partnerships project. This formed part of the effort to provide a place for members to share learning on civic university/anchor institution activity and place strategies.
- Contributed a number of articles and publications on the value of HE and YU members in the region these were published by the Yorkshire Post and in the Policy Yorkshire essay collection.
- Produced statements on the value of YU members to the region's economy and recovery in light of COVID-19 which were supported publicly by all the region's Mayors, CAs and LEPS: 'The Coronavirus Pandemic: Universities and the Economic Recovery of Place' and 'Yorkshire's universities are crucial to the region's recovery'.
- Produced a five-year comparative analysis using the Higher Education – Business & Community Interaction (HE-BCI) dataset and updated the facts and figures on the

website to illustrate (in a user-friendly format) the collective contributions YU members make in the region.

- Explored the concept of 'citizen science' and strengthened relationships with voluntary and community sector organisations to share knowledge and identify areas of common interest.
- Hosted a roundtable in association with ARUP on the climate emergency. The YU Policy & Communications Network (PCN) has also been closely following the developments of the Climate Commission for UK Higher and Further Education Students & Leaders and those of the UN Climate Change Conference (COP26) University Network, as YU was invited as an external stakeholder and has been able to feed back to the group regularly.
- Held a joint health, economy and well-being conference with Yorkshire & Humber Academic Health Science Network (YHAHSN) and NHS Confederation in December 2019. Following that in July 2020, YU, YHAHSN and the NHS Confederation jointly published a report on health inequalities and recovery post COVID-19
- Also, related to the effort to strengthen collective university engagement with regional health partnerships, YU has been asked to convene meetings of a broad steering group and two workstream groups comprising LCR Vice-Chancellors and lead officers in the West Yorkshire Health and Care Partnership. One of the workstream groups is looking at R&I, and the other at skills, training and workforce planning. The aim of each group is to agree a series of actions that can inform the West Yorkshire Economic Recovery Plan and the emerging devolution deal.

#### **Related consultation responses:**

HE-BCI major review

Submission to the West Yorkshire Devolution Deal

Ambitions for the North: People and Place

#### **Think pieces and communications:**

Creative Industries in Yorkshire and the Humber

When a local economy collapses, we can't just rely on the grit of communities

Revisiting resilience

Unpacking the role of universities as civic anchor institutions

#### **Speaking roles / presentations:**

YU was invited to speak at 'The University as a Social and Public 'Good': Creating an Anchor out of Community Engaged Research' conference (cancelled due to COVID-19)  
Secured a keynote speaking slot for the Chair of the YU Board at the #YHealth4Growth Conference in December 2019.

Secured a keynote speaking slot for the VC of the University of Bradford at the launch of the Policy Yorkshire's first publication: '2030 Vision, Where should Yorkshire be in Ten Years' Time?'

## 4. Enabling mechanisms

### Objectives:

- Operate as an outstanding membership-based organisation
- Embrace continuous learning and development
- Use innovative methods to communicate our messages to members and external audiences
- Strengthen our relationships with national, regional and local partners to influence policy and strategy
- Act as a 'knowledge hub' of information, intelligence and new ideas, drawing upon high-quality research and examples of successful practical action
- Monitor and evaluate performance to ensure key indicators and measures of success are met

### Achievements:

- The YU team was able to switch seamlessly to online working.
- Published a comprehensive three-year strategy, designed for external communication and made widely available on all YU communication channels. This is underpinned by detailed delivery plans for internal use and evaluation.
- Updated the Articles of Association; changes made to it were first approved by the Charity Commission and then passed by special resolution at the Board on 1 July 2020.
- Completed the independent examination, produced the 2018-19 Annual Report and accompanying Executive Summary (first of its kind) and submitted them to statutory bodies, respecting deadlines.
- Established a new PCN to be a space for information-sharing alongside the YU Industrial Strategy Group and the LCR Sub-group and continued to operate and service these groups virtually during lockdown.
- Each week in 2019-20 we collected policy developments in the areas relevant to HE, economic and regional development, skills, and R&I and produced a 'Friday summary alert' for over 100 recipients to read. Disseminated two newsletters to over 400 readers summarising YU activity in the first and second half of 2019-20.
- Wrote nearly 20 blogs and think pieces, and trialled filming one of the YU events (the ULP roundtable) as an alternative method of communicating key messages.
- In the effort to widen and deepen contacts with national, pan-regional and regional institutions, YU has been strengthening its work with government agencies, and has been proactively influencing policy and strategy in relation to the place, levelling-up, skills, R&D, recovery, and devolution agendas.

## FUTURE PLANS

We will continue to deliver the objectives set out in the 2019-22 YU Strategy, but are mindful of the context that members and the wider economy and society face as a result of COVID-19 and the economic crisis. Therefore, we will remain flexible and agile to anticipate and respond to opportunities and challenges as they arise:

1. Ideas: YU will continue to promote university research and innovation capabilities in Yorkshire; support the development of 'place sensitive' innovation systems; and encourage greater connectivity between YU members' different capabilities to harness the potential of multi-institution and multi-disciplinary research and innovation.
2. Talent: YU will continue to help to strengthen member and partner knowledge of the supply and demand for higher level skills within Yorkshire's labour markets; work with members and partners to improve graduate retention, employability and employment in the region; and work with partners, especially business and further education, to ensure technical and vocational training, skills and learning reflect the social and economic priorities of the region.
3. Communities: YU will continue to promote and disseminate the social, economic and public value of HE within Yorkshire; provide a strategic framework for YU members to identify and share learning and good practice to encourage civic university and anchor institution activity within different places in the region; facilitate place-based leadership and public engagement actions between YU members and other anchor institutions (such as those operating in the health sector) and work with partners to address the challenges (and realise the opportunities) facing Yorkshire presented by climate change.

Expected outcomes from the three priorities are that YU and its members:

- Will strengthen their contributions towards increased research and development and innovation activity within Yorkshire.
- Will enhance and extend partnerships with other sectors to improve higher level skills pathways into continuous development and learning.
- Will be recognised by regional partners and local communities as valuable and influential anchor institutions.

The enabling mechanisms will continue to support the delivery of the new strategy. YU will operate as an outstanding membership-based organisation, fulfilling its statutory duties as a charitable body and limited company with an effective governance structure and highly-skilled and professional staff. It will act as a 'knowledge hub' of information, intelligence and ideas, drawing on and analysing data, research findings and policy to ensure that YU members (and partners) are at the forefront of developing new ideas and realising opportunities.

## FINANCIAL REVIEW

Membership subscriptions represent the overwhelming majority of YU's voluntary income for 2019-20. During the year, YU received £237k in general funding (2019: £154k). YU expenditure incurred was £227k (2019: £226k).

At the end of the year, we are taking forward £90k (2019: £80k) of general reserves. The use of funds is described in note 9 in to the 'Notes to the financial statements'. Our designated economy fund was at nil on 31 July 2020 (2019: £2k).

We hold £96k (2019: £84k) of these balances in deposit accounts, in excess of the actual fund balances. Funds are invested on bank deposit at the best rate obtainable, with recognised financial institutions and banks.

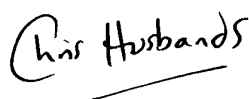
### Reserves policy

In 2010, the then Executive Management Group approved a reserves policy setting unrestricted reserves to be held to meet the working capital requirements of the organisation, to meet specific costs (e.g. staff cover for illness and maternity leave) and to meet contractual liabilities should the organisation have to close. The YU reserves policy requires the organisation's unrestricted reserves to be between a fifth and a sixth of its unrestricted budget expenditure. This is between £39k and £47k for anticipated unrestricted costs in 2020-21 (2019-20: between £36k and £43k). Our general reserves have comfortably exceeded the target band at £90k (July 2019 £80k).

As explained in pension costs note 3 in 'Notes to the financial statements', we also carry a long-term pension provision of £50k (2019: £41k), which the Board does not expect to crystallise.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 1 December 2020 and signed on its behalf by:



**Professor Sir Chris Husbands**  
**Chair of the Board**

# REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF YORKSHIRE UNIVERSITIES

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 July 2020, which are set out on pages 14 to 20.

## Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

## Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mark Heaton FCCA DChA FCIE  
KM Chartered Accountants  
1<sup>st</sup> Floor  
Block C, The Wharf  
Manchester Rd  
Burnley  
BB11 1JG



## STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure account)

for the year ended 31 July 2020

	General funds 2020 £	Designated funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income</b>				
General subscriptions income	235,448	-	235,448	151,902
Investment income: bank interest	1,732	-	1,732	1,821
Other incoming resources	134	-	134	-
Total income	<u>237,314</u>	<u>-</u>	<u>237,314</u>	<u>153,723</u>
<b>Expenditure</b>				
Total resources expended	224,228	2,300	226,528	225,609
Net (expenditure) / income and movement in funds for the year	<u>13,086</u>	<u>(2,300)</u>	<u>10,786</u>	<u>(71,886)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward	77,252	2,300	79,552	151,438
Funds carried forward	<u>90,338</u>	<u>0</u>	<u>90,338</u>	<u>79,552</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources are expended in the current year.

## BALANCE SHEET as at 31 July 2020

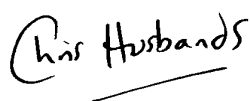
	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	2	2
<b>Current assets</b>			
Debtors	6	2,881	3,338
Cash at bank		58,285	47,670
Cash on deposit		96,102	84,370
Total current assets		157,268	135,378
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	7	(17,132)	(14,828)
Net current assets		140,136	120,552
Creditors: Amounts falling due after one year	7	(49,800)	(41,000)
Net assets		90,338	79,552
The funds of the Charity			
Unrestricted revenue accumulated funds			
General funds		90,338	77,252
Designated funds		Nil	2,300
<b>Total funds</b>		90,338	79,552

For the year ended 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities

The directors have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by Companies Act 2006 and are for circulation to the members of the company.

The financial statements were approved by the YU Board on 1 December 2020 and were signed on its behalf by:



**Professor Sir Chris Husbands**  
(Chair of the Board)

The ['Notes to the financial statements'](#) form part of these accounts.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting policies

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

### a. Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with Section 1a of Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice – “Accounting and Reporting for Charities: revised 2015” (Charities SORP 2015 FRS102) and the Companies Act 2006. YU meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### b. Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of YU. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a specific purpose. Designated funds are funds which have been set aside from unrestricted funds by the trustees for specific purposes. General Subscriptions income represents member subscriptions and unrestricted grants. There are no restricted funds.

### c. Incoming resources

All income is accounted for as soon as YU has entitlement to the income, there is certainty of receipt and the amount is quantifiable. Subscriptions are accounted for in the year to which they apply.

### d. Resources expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

### e. Pension Fund

The institution participates in the Universities Superannuation Scheme (USS). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of

FRS 102 “Employee benefits”, the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

#### **f. Fixed assets**

Individual assets with an individual or aggregate cost when acquired in excess of £2,000, and which are intended to be of ongoing use to YU in carrying out its activities, are capitalised as fixed assets. Depreciation is charged on tangible fixed assets at 25% of cost per annum, so as to write them off over their expected useful lives. Computer assets are fully depreciated in the year of purchase.

## **2. Employee information**

The full-time equivalent number of staff employed at the end of the year was 2 (2019:2). Contractor costs are not included in staff costs. Total employee costs during the year were £131k (2019: £138k) broken down as follows (all figures in £000s):

	2020	2019
Salaries	102	99
Social security costs	12	11
Employer pension	21	18
Change in pension shortfall accrual	9	13
Change in leave outstanding at year end	1	0
Employment allowance	(3)	(3)
<b>Total</b>	<u>142</u>	<u>138</u>

Note that contractor costs are not included in staff costs. There is one employee whose emoluments for the year exceeded £60,000.

## **3. Pension costs**

The total cost charged to the Statement of Financial Activities is £21k (2019: £18k) as shown in Note 2. The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole. The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the

scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The provision figures have been produced using the following assumptions as at 31 March 2018:

	Valuations:	2018	2017
Discount rate Yr 1 (CPI+)		+0.14%	-0.53%
Discount rate Yr 11 (CPI+)		+2.52%	+2.56%
Discount rate Yr 21 (CPI+)		+1.55%	+1.70%

In accordance with FRS102 an accrual has been made for the amortised anticipated costs of pension shortfall recovery payments that might be anticipated now but be payable in future years. A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figure has been produced using a discount rate of 2.59% (2019: 2.44%), and growth 4.20% (2019 2.11%). The liability was revalued this year to £49.8k (2019 £41k).

More detail of the costs and valuations for the USS pension scheme are available at: <https://www.uss.co.uk/how-uss-is-run/2018-valuation>

#### 4. Resources expended

a) Analysis of resources expended / £000s	Staff costs	Support costs	Total 2020	Total 2019
Core	142	83	225	216
Economy (Designated)	-	2	2	10
<b>Total expended</b>	<b>142</b>	<b>85</b>	<b>227</b>	<b>226</b>

b) Analysis of support costs / £000s	Core	Economy designated	Total 2020	Total 2019
Independent examination	1	-	1	1
Director insurance	1	-	1	1
Premises	3	-	3	10
Self-employed administrator & consultants	47	2	49	47
Phone, office and website	4	-	4	2
Travel costs	11	-	11	9
Professional fees & insurance	13	-	13	12
Other Non-staff	3	-	3	6
<b>Total</b>	<b>83</b>	<b>2</b>	<b>85</b>	<b>88</b>

## 5. Tangible fixed assets

	Office equipment £	Fixtures & fittings £	Total £
<b>Asset cost</b>			
At 1st Aug 2019	2,728	1,628	4,356
Additions	1,414	0	1,414
Disposals	(2,728)	(964)	(3,692)
At 31st July 2020	1,414	664	2,078
<b>Accumulated depreciation</b>			
At 1st Aug 2019	2,727	1,627	4,354
Charge for the year	1,413	0	1,413
Released on disposal	(2,727)	(964)	(3,691)
At 31st July 2020	1,413	663	2,076
<b>Net book value</b>			
At 31st July 2019	1	1	2
At 31st July 2020	1	1	2

## 6. Debtors

	2020 £	2019 £
Debtors	1,279	1,525
Accrued income	100	-
Prepaid expenses	1,500	1,813
<b>Total</b>	<b>2,879</b>	<b>3,338</b>

## 7. Creditors and commitments

	2020 £	2019 £
<b>Short Term</b>		
Trade creditors/Credit cards	2,261	3,379
Accrued expenses	2,530	1,610
Employment Related	12,341	9,839
<b>Total</b>	<b>17,132</b>	<b>14,828</b>
<b>Long term</b>		
Pension shortfall accrual	49,800	41,000

### Contingent Liability

Since the year end date, YU has been informally notified by the Universities Superannuation Scheme (USS) of an administrative concern about YU's employer membership. This relates

to a question of continuous employment of staff three years ago. At the time of signing the 2019/20 accounts, YU trustees are researching the matter, and are working to find a resolution, should USS take their concern further.

## 8. Related party transactions

There were no transactions with related parties undertaken during the year such as are required to be disclosed in detail (2019: none). No remuneration was paid to any trustee during the year (2019: £Nil). There were transactions with the institutions represented by the charity's members that were all undertaken at arm's length, or at nil profit. Principal among these are costs from the University of Leeds for accommodation and supplied services.

## 9. Analysis of movement in funds

All figures in £000s	Brought forward	Incoming	Outgoing	Total 2020	Represented at bank (see below)
General funds:					
Unrestricted funds	77	237	(224)	90	154
Designated fund:					
Economy project	<u>3</u>	<u>0</u>	<u>(3)</u>	<u>0</u>	<u>0</u>
Total	<u>80</u>	<u>237</u>	<u>(227)</u>	<u>90</u>	<u>154</u>

The analysis of funds shows our funds are fully available in cash. The unrestricted general fund held as part of our bank and deposit balances is now £154k (2019: £129k).

The £3k opening balance on the Economy Designated fund was spent out this year. We hold no restricted funds.

