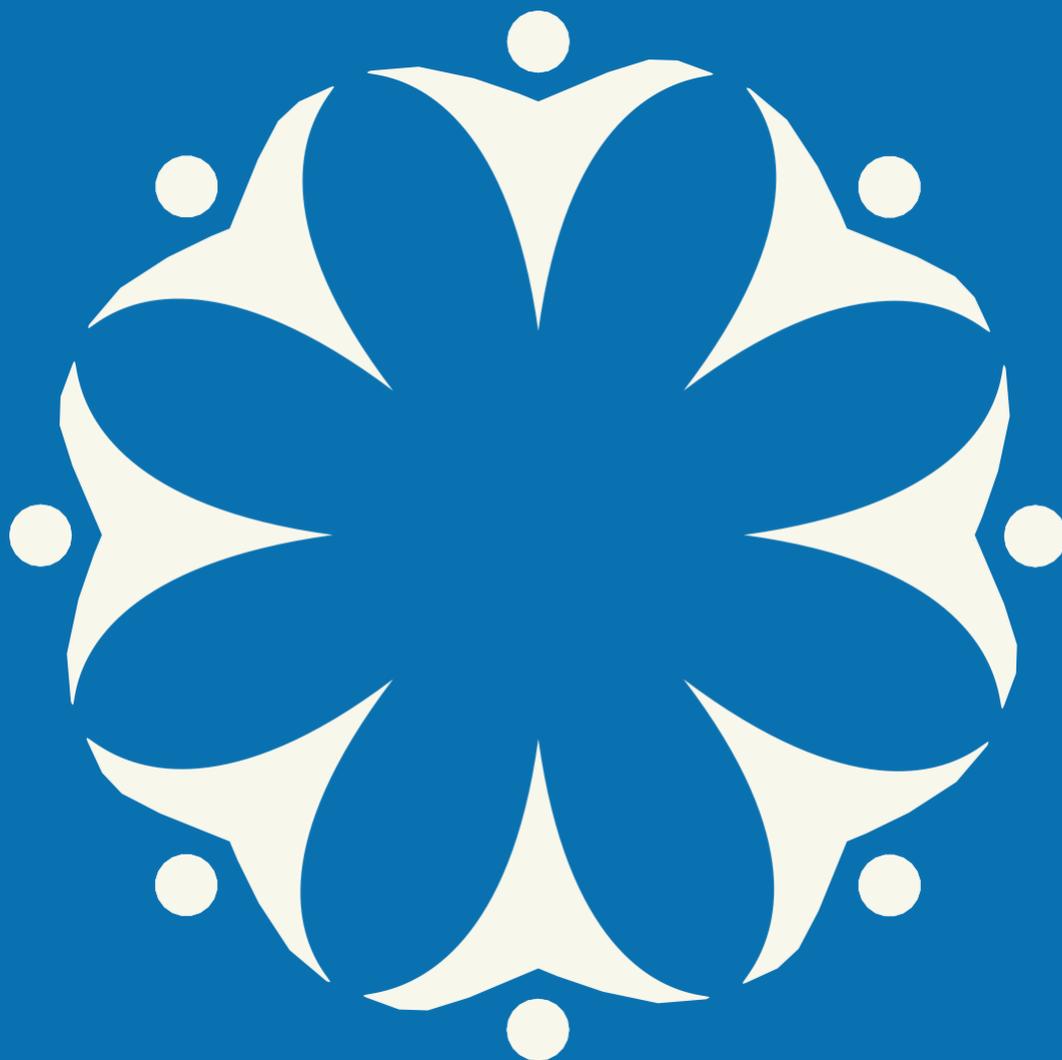


# Yorkshire Universities

2018-19 Annual  
Report and Accounts



**Reference and administrative details for the year ended 31 July 2019**

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

**Registered company number:** 03467035

**Registered charity number:** 1109200

**Independent examiner:** Mark Heaton FCCA DChA  
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

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## CHAIR'S FOREWORD

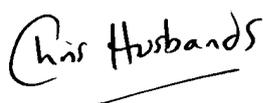
I was delighted to be appointed as Chair of the Board of Yorkshire Universities (YU), at the start of August 2018. I would like to thank my predecessor, Professor Koen Lamberts, for helping to steer a new course for the partnership following the commitment by the Board to strengthen member cooperation on place-based development in support of the regional economy.

Despite the continued political and economic uncertainty, YU is providing an effective voice for higher education and a vehicle for collaboration between members, and other partners nationally and regionally. Higher education is a key strength of the UK, and the sector is crucial to efforts to improve productivity, social inclusion and sustainability. In Yorkshire, YU members collectively make a significant contribution to the region, as the independent impact assessment we commissioned earlier this year demonstrates.

We started 2018-19 implementing an initial one-year operational plan, which laid the foundation for the Board to agree a revised financial settlement for YU, followed by a new three-year strategy for the period 2019-22, where the focus will be on strengthening our work in relation to innovation, research, knowledge exchange, skills, civic engagement and cross-sector collaboration. I am grateful to members of the Board for their visible support and commitment to YU.

In 2019-20, we welcome two new members to the Board, Professor Shirley Congdon, Vice-Chancellor of the University of Bradford and Professor Charlie Jeffery, Vice-Chancellor of the University of York. We look forward to working with them both. We also saw the departure from the Board of Professor Brian Cantor, who left the University of Bradford, and who was a long-standing friend of YU. We wish Brian well for the future.

Our Executive Director, Dr Peter O'Brien, and his team have had an excellent year, helping to raise the profile of YU and ensuring that we have greater influence with national, regional and local partners. A particular focus of activity has been to shape the emergent local industrial strategies and national policy thinking around the form and function of future public and private investment in local and regional development. These are issues where YU is building real credibility and justifies the vision and strategy agreed by the Board. Operationally, YU remains healthy both in financial terms and in management and governance, with our new Industrial Strategy Group, led by Professor Liz Towns-Andrews, providing an effective collective framework for us to realise our ambitions and priorities.



**Professor Sir Chris Husbands**

## **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 memorandum and articles, last amended on 2 December 2003.

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:

**Professor Sir Keith Burnett, Vice-Chancellor**

University of Sheffield (*Resigned 30.09.18*)

**Professor Brian Cantor, Vice-Chancellor**

University of Bradford (*Resigned 31.07.19*)

**Professor Bob Cryan, Vice-Chancellor**

University of Huddersfield

**Mr Gerry Godley, Principal & Managing Director**

Leeds College of Music

**Professor Margaret House, Vice-Chancellor**

Leeds Trinity University

**Professor Sir Chris Husbands, Vice-Chancellor**

Sheffield Hallam University

**Professor Susan Lea, Vice-Chancellor**

University of Hull

**Professor Koen Lamberts, Vice-Chancellor**

University of York (*Resigned 31.10.18*)

University of Sheffield (*Appointed 01.11.18*)

**Sir Alan Langlands, Vice-Chancellor**

University of Leeds

**Professor Peter Slee, Vice-Chancellor**

Leeds Beckett University

**Professor Karen Stanton, Vice-Chancellor**

York St John University

**Professor Saul Tandler, Acting Vice-Chancellor**

University of York (*Appointed 01.11.18*)

**Professor Simone Wonnacott, Vice-Chancellor**

Leeds Arts University

## **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 2019, 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.

## MISSION

YU is a membership organisation that is based on a shared commitment to strengthen the contribution that universities and HEIs make (individually and collectively) to the economic, social, cultural and civic life and well-being of people and places in Yorkshire. YU promotes the contribution that its members make locally, regionally, nationally and internationally. It stimulates activities related to the public benefit of higher education, especially through collaboration both within the membership and with other partners, in an attempt to create more prosperous, inclusive and sustainable economies and communities. YU is alert to the external drivers shaping the wider economic, policy and institutional landscape in which its members operate; this enables the organisation to add continued value to its members' priorities.

## 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 2019-22. 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; for a detailed version of the 2018-19 Operational Plan please contact YU on [enquiries@yorkshireuniversities.ac.uk](mailto:enquiries@yorkshireuniversities.ac.uk)

## OBJECTIVES AND ACHIEVEMENTS

The 2018-19 operational plan centred on three priorities for place-based development, each with specific objectives:

1. Productivity of place;
2. Governance of place;
3. Social, civic and cultural significance of place.

In addition, there were two cross-cutting objectives: to increase and promote the broader value of Yorkshire's universities; and for YU to operate as an outstanding membership organisation.

### 1. Productivity of place objectives

- YU members to be central to achieving the aims of the government's Industrial Strategy (and related initiatives) in Yorkshire.
- YU members to shape post-Brexit policy, strategy and resources.

#### *The Industrial Strategy*

In 2018-19, YU established a new expert advisory group – the Industrial Strategy Group (ISG) – to advise on, and promote, the contributions that YU members could make to achieving the aims of national and local industrial policy and strategy.

This group built on the work of a predecessor, the Knowledge Transfer Directors' Group, which had overseen YU's work on establishing the economic contribution of higher education within and beyond Yorkshire.

An ISG sub-group was formed in Leeds City Region (where nine YU members are located) responding to a specific request for close collaboration with the HE sector from the West Yorkshire Combined Authority (WYCA) and Leeds City Region Local Enterprise Partnership (LCR LEP). In 2019, the ED was invited by WYCA to chair their independent expert advisory panel advising WYCA and LCR LEP on the development of an emergent local industrial strategy.

Events organised:

- 4 March 2019: a workshop was facilitated by David Marlow (Third Life Economics), to examine the government's target to increase investment in research and innovation to 2.4% of national GDP by 2027 and to identify actions as to how YU members and partners in the region could contribute towards meeting the target. A 'task and finish' group was set up to deliver actions from the workshop.
- 20 March 2019: a joint round table was held with Universities UK (UUK) and the four Yorkshire LEPs on the future of degree apprenticeships.

Speeches and presentations:

- The ED gave a speech at a UK Research Innovation (UKRI)/Innovate UK conference at the University of Leeds on how collaborating with the region's universities could help small and medium enterprises to become more innovative and grow.

Consultation responses:

- Local Industrial Strategy call for evidence from WYCA/LCR LEP and the Humber LEP;
- The House of Commons Science and Technology Committee inquiry on the 'Balance and effectiveness of research and innovation spending'. The ED gave oral evidence in London to the Select Committee following a written submission by YU to the inquiry, and YU's contribution was acknowledged in the final report published by the Committee.

### *Post-Brexit policy*

YU worked with government to hold regular meetings with the Department of Business, Energy and Industrial Strategy (DBEIS), Ministry of Housing, Communities and Local Government (MHCLG) and agencies to provide a channel for sharing of intelligence and information between YU members and policy-makers.

Events organised:

- 14 November 2019: YU facilitated a development session with Kevin Richardson (Local Academy) on how universities and partners in Yorkshire could influence the

proposed UK Shared Prosperity Fund – the successor fund to European Strategic Investment Funds and Local Growth Fund.

Consultation responses:

- HM Treasury review of the post-European Investment Bank mechanism in the UK.

## **2. The governance of place objectives**

- YU members to influence the process of devolution and decentralisation (within Yorkshire and more widely within the north of England).
- YU members to show leadership in terms of place ('place-based leadership').

### *Influencing devolution and decentralisation*

YU met with the government's Northern Powerhouse (NP) team and the Northern Powerhouse Partnership (NPP), and also accepted an invitation to contribute towards the planned revision of the Northern Powerhouse Strategy. The ED was invited by NPP to participate in a meeting with the Universities Minister, Chris Skidmore MP, to discuss research and innovation in the north of England. More widely, YU established closer working relationships with relevant national and regional think-tanks and opinion-formers, including the Joseph Rowntree Foundation, the Institute for Public Policy Research (IPPR) North, Centre for Cities, the N8 Research Partnership, NP11 (a government-funded board comprising the chairs of the 11 LEPs in the north), and the Centre for Local Economic Strategies (CLES).

### *Place-based leadership*

YU held regular meetings with the region's four LEPs and two combined authorities to share information and intelligence, and to discuss cross-boundary priorities. Stronger and more effective relationships were established with the West Yorkshire Consortium of Colleges, the Yorkshire and the Humber Association of Colleges, Sheffield City College, the Confederation of British Industry, the Trades Union Congress, the Bank of England and the Institute of Directors.

YU used approaches to 'place' first developed by the Local Growth Academy and Leading Places (programmes set up by the Higher Education Funding Council for England) to inform YU's activity in relation to universities and place, and to build stronger connections between HE and other public and private sectors and institutions. Engagement with the health sector provided an opportunity to test out these approaches. YU joined the Yorkshire and Humber Academic Health Science Network's (AHSN) strategic advisory board and published, with the NHS Confederation, a 'think piece' on industrial strategies, universities and health and well-being. Plans were also taken forward to hold a regional conference later in 2019 in partnership with the AHSN and the NHS Confederation.

Speeches and presentations:

- The ED gave a welcome address at the Praxis Auril national conference in Harrogate, speaking on the theme of bridging research and teaching and how universities in Yorkshire are contributing towards local and regional development;
- At the NHS Confederation's 2019 annual conference, in Manchester, the ED spoke on how universities and the health sector are central to building a healthier and more prosperous future.

Consultation responses:

- Higher Education Commission's inquiry into degree apprenticeships.
- The UK2070 Commission inquiry into regional inequalities.
- Royal Town Planning Institute consultation on 'Ambitions of the north, people and place'.

### **3. Social, civic and cultural significance of place objectives**

- YU members to widen and deepen their role as anchor institutions (institutions holding together their surrounding communities).
- YU members to increase their cultural and creative impact.

#### *Anchor institutions*

YU operated at international, national and regional levels to influence the development and implementation of ideas based on the concept of 'anchor institutions'. YU contributed towards the development of a new centre for excellence initiative set up by CLES, and provided advice to members and partners engaged in local anchor institution networks within and across Yorkshire. The ED was invited to join the Civic University Commission (CUC) expert working group tasked with developing a national framework for the proposed CUC Agreements. In addition, the ED was a member of a working group that informed a new pathfinder UKRI funding mechanism designed to strengthen place-based partnerships and public engagement in academic research.

Events organised:

- 5 December 2018: roundtable discussion on 'universities as anchor institutions'.
- 6 March 2019: development session to examine the activities of the CUC and Civic University Agreements, and what they mean in practice for YU members.

Speeches and presentations:

- The ED gave the keynote speech on 'Anchor institutions transforming their regions' at the Australian Regional Universities Network Conference in Queensland.
- The ED gave a presentation on Yorkshire's universities as anchor institutions at a University of York international conference on local community wealth building.
- The ED chaired two panel sessions at the University of Leeds conference on 'Industrial strategy and civic need'.

- The Executive Manager spoke at the CLES second annual ‘wealth building summit’ in Liverpool on the potential role of universities as anchor institutions within their localities.

### *Cultural impact*

YU has engaged both nationally and regionally in looking to strengthen the role of members in cultural activity. Dialogue has started with GuildHE and Arts Council England to identify potential Yorkshire-based case studies of higher education activity within the cultural and creative sector. Within Yorkshire, YU convened a group of small/specialist members seeking to develop initiatives on skills and knowledge exchange within the Leeds City Region cultural and creative sector. The ED gave a presentation to the Leeds Culture Consortium on the role of YU members in industrial strategy, in particular within the cultural and creative sector, and YU’s engagement with the Consortium has continued.

## **4. Cross-cutting objectives**

- To increase and promote the broader value of Yorkshire’s universities.
- YU to operate as an outstanding membership organisation.

YU has increased the volume and quality of in-house publications; raised its profile and that of its members by participating in regional, national and international events; and using data and evidence to shape and enrich the organisation’s key messages. Examples have been given of such activity elsewhere in the report; other relevant information can be found on the YU website. YU has also aimed to attract influential speakers to its events. The three speakers at YU Board meetings this year demonstrate success – Sarah Longlands, Director of IPPR North; Dame Kate Barker CBE, Member of the Industrial Strategy Council; and Nick Hillman, Director of the Higher Education Policy Institute.

YU has maintained a robust corporate governance structure, together with effective financial management. The organisation has made increased use of technology – in developing its website and in the use of social media platforms. The YU Executive Team operates flexibly; this has been underpinned by the use of new technology and a new commitment to support individual and team development.

## FUTURE PLANS

Building on the 2018-19 operational plan, YU's new 2019-22 Strategy will focus upon delivering activity and achieving outcomes against three priorities:

1. Ideas: YU will 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 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 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.

A number of 'enabling mechanisms' will 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 2018-19. During the year, YU received £154k in general funding (2018: £179k) and £nil in designated funding (2018: £1k) totalling £154k (2018: £180k) in funding. YU expenditure incurred was £226k (2018: £184k).

At the end of the year, we are taking forward £80k (2018: £151k) 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 £2k on 31 July 2019 (2018: £13k).

We hold £84k (2018: £184k) 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.

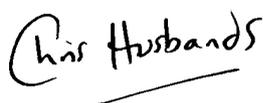
### Reserves policy

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 2019/20 (2018/19: between £36k and £43k). Our general reserves comfortably exceeded the target band at the last year end and at the end of the current year 31 July 2019 at £80k (July 2018 £151k).

As explained in pension costs note 3 in ['Notes to the financial statements'](#), we also carry a long-term pension provision of £41k (2018: £28k), 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 4 December 2019 and signed on its behalf by:



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

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

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 July 2019, which are set out on pages 13 to 19.

## 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 FCIE DChA  
KM Chartered Accountants  
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Manchester Rd  
Burnley  
BB11 1JG

## STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure account)

for the year ended 31 July 2019

	General funds 2019 £	Designated funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income</b>				
General subscriptions income	151,902	-	151,902	176,900
Economy subscriptions income	-	-	-	-
Investment income: bank interest	1,821	-	1,821	2,174
Other incoming resources	-	-	-	894
<b>Total income</b>	<u>153,723</u>	<u>-</u>	<u>153,723</u>	<u>179,968</u>
<b>Expenditure</b>				
Total resources expended	215,342	10,267	225,609	184,486
<b>Net (expenditure) / income and movement in funds for the year</b>	<u>(61,619)</u>	<u>(10,267)</u>	<u>(71,886)</u>	<u>(4,518)</u>
Funds Transfers	-	-	-	-
<b>Reconciliation of funds</b>				
Total funds brought forward	138,871	12,567	151,438	155,956
Funds carried forward	<u>77,252</u>	<u>2,300</u>	<u>79,552</u>	<u>151,438</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 2019

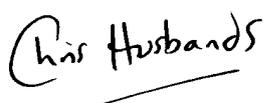
	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	5	2	2
<b>Current assets</b>			
Debtors	6	3,338	912
Cash at bank		47,670	13,512
Cash on deposit		84,370	184,405
Total current assets		135,378	198,829
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	7	(14,828)	(19,523)
Net current assets		120,552	179,306
Creditors: Amounts falling due after one year	7	(41,000)	(27,870)
Net assets		79,552	151,438
<b>The funds of the Charity</b>			
Unrestricted revenue accumulated funds			
General funds		77,252	138,870
Designated funds		2,300	12,567
Total funds		79,552	151,438

For the year ended 31 July 2019 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 4 December 2019 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 (including grants) 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. Overheads, governance costs and other salaries are allocated between expense headings on the basis of time spent. Governance costs include the costs of governance arrangements, which relate to the general running of the charity.

### e. Pension Fund

The institution participates in the Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual

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

#### 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 (2018:1). Contractor costs are not included in staff costs. Total employee costs during the year were £138k (2018: £78k) broken down as follows (all figures in £000s):

	2019	2018
Salaries	99	51
Social security costs	11	5
Employer pension	18	9
Change in pension shortfall accrual	13	14
Change in leave outstanding at year end	0	2
Employment allowance	(3)	(3)
	<hr/>	<hr/>
Total	<u>138</u>	<u>78</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 £18k (2018: £9k) as shown in Note 2. The latest available full actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

Since the charity cannot identify its share of Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole. The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding

objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion.

The provision figures have been produced using the following assumptions in the valuations, as at 31 March 2018 and 2017:

	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%
Pensions increases (CPI) as at 31.03.19		1.69%	2.11%

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. The accrual was revalued this year to £41k (2017/18 £28k).

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

<b>a) Analysis of resources expended / £000s</b>	Staff costs	Support costs	Total 2019	Total 2018
Core	138	78	216	168
Economy (Designated)	-	10	10	16
<b>Total expended</b>	<b>138</b>	<b>88</b>	<b>226</b>	<b>184</b>

<b>b) Analysis of support costs / £000s</b>	Core	Economy designated	Total 2019	Total 2018
Independent examination	1	0	1	3
Director insurance	1	0	1	1
Premises	10	0	10	11
Self-employed administrator & consultants	37	10	47	63
Phone, office and website	2	0	2	6
Travel costs	9	0	9	6
Professional fees & insurance	12	0	12	12
Other Non-staff	6	0	6	4
<b>Total</b>	<b>78</b>	<b>10</b>	<b>88</b>	<b>106</b>

## 5. Tangible fixed assets

	Office equipment £	Fixtures & fittings £	Total £
<b>Net book value</b>			
At 31st July 2018	1	1	2
At 31st July 2019	<u>1</u>	<u>1</u>	<u>2</u>

## 6. Debtors

	2019 £	2018 £
Trade debtors	-	210
Accrued income	1,525	74
Prepaid expenses	-	243
Other debtors	1,813	385
Total	<u>3,338</u>	<u>912</u>

## 7. Creditors and commitments

	2019 £	2018 £
<b>Short Term</b>		
Trade creditors/Credit cards	3,379	6,684
Accrued expenses	1,610	6,200
Employment Related	9,839	6,639
Total	<u>14,828</u>	<u>19,523</u>
<b>Long term</b>		
Pension shortfall accrual	<u>41,000</u>	<u>27,870</u>

## 8. Related party transactions

There were no transactions with related parties undertaken during the year such as are required to be disclosed in detail (2018: none). No remuneration was paid to any trustee during the year (2018: £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 2019	Represented at bank (see below)
General funds:					
Unrestricted funds	139	154	(216)	77	129
Designated fund:					
Economy project	<u>13</u>	<u>0</u>	<u>(10)</u>	<u>3</u>	<u>3</u>
Total	<u>152</u>	<u>154</u>	<u>(226)</u>	<u>80</u>	<u>132</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 £129k (2018: £185k).

There are general fund liabilities in the form of provisions, accruals, deferred income and trade creditors of £56k (2018: £46k) and £3k (2018: £1k) of debtors in the form of prepayments, leaving £129k (2018: £185k) in cash.

Grant donations were nil this year (2018: £25k).

The Economy Designated fund (which supports our Engaging with the economy activity) connects universities with the regional LEPs to improve HEI support for their local economies. There was £3k (2018: £12k) remaining in this Designated Fund all of which is in cash.

We hold no restricted funds.

