



The  
University  
Of  
Sheffield.



# Annual Report & Financial Statements 2020–21.



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# Highlights of the year

## August 2020

### £2.5 million Radioactive Waste Management Research Support Office (RWM RSO)

launches in partnership with the University of Manchester to support research into safe geological disposal of nuclear waste.

## October 2020

The University signs the government's Care Leaver Covenant (CLC), pledging to enhance the support available for care leavers making the transition to independence, and to help them succeed in higher education.

## December 2020

The University is recognised as a UK Business Hero by the British Chambers of Commerce for the positive contributions made by our staff and students in response to the coronavirus outbreak.

## September 2020

Festival of the Mind, our unique collaborative festival showcasing local creative talent and world-class academic research, takes place for the fifth time but for the first time online. Off the Shelf, the 29th annual festival of words, follows on, opening with Sheffield alumni Lee Child, author of the international bestselling Jack Reacher books.

## November 2020

Sheffield Institute for Translational Neuroscience (SITraN) celebrates its 10th anniversary.

The University pledges to reach net-zero carbon emissions on campus by 2030 and across all activities by 2038 as part of our five-year sustainability strategy.

## January 2021

The Institute for Sustainable Food leads a £6m research project, Healthy soil, healthy food, healthy people (H3), to transform the UK food system from the ground up via an integrated programme of interdisciplinary research.

## February 2021

Our Advanced Manufacturing Research Centre (AMRC) renews its partnership with Boeing to continue two decades of innovation and collaboration for five more years.

## April 2021

The University's Cancer Research Strategy is launched, to be led by Professor Jim Catto following his award of £2.9 million in funding by Yorkshire Cancer Research for two major clinical trials earlier in the year.

Alongside the Universities of Leeds and Manchester, we announce the launch of Northern Gritstone – a new investment company to help boost the commercialisation of university spinouts and start-ups in the North of England.

## June 2021

The first patient images are taken at the Sheffield PET-MRI facility in the University's MRI unit at the Royal Hallamshire Hospital. This is the UK's 8th and Yorkshire's only PET-MRI facility.

## March 2021

The University is recognised for its impact on society and the economy in the first ever Knowledge Exchange Framework (KEF), placed in the top 10 per cent of universities in England for working with businesses to find solutions to problems in industry and society, according to a new framework published recently.

## May 2021

The University forms part of the new £20 million UKRI-funded Industrial Decarbonisation Research and Innovation Centre (IDRIC) to support the government's plans for a Green Industrial Revolution, with researchers from our Energy Institute set to work with the Drax power station to generate hydrogen and sustainable aviation fuels from biomass gasification and carbon capture.

## July 2021

The University was awarded a share of £79 million investment from the Medical Research Council to train the next generation of researchers. This will enable the recruitment of 120 PhD students over the next three years (across the Discovery Medicine North (DiMeN) partnership alongside the Universities of Leeds, Liverpool, Newcastle and York) to tackle major health problems facing people in the North of England and around the world.

The University signs up to the University Mental Health Charter, a quality assurance programme created by Student Minds which aims to give universities the tools needed to improve staff and student mental health.

# President and Vice-Chancellor's introduction



**Professor Koen Lamberts,  
President and Vice-Chancellor of The University of Sheffield**

**As I write the introduction to this annual report, there are signs that we are beginning to emerge from the worst impacts of Covid-19. While the pandemic is not yet over, I am hopeful that this will be a more normal academic year for our students and staff, with the excellent face-to-face teaching, research and on-campus activities for which Sheffield is known. This annual report reflects how we have navigated the challenges we have faced during this period, but also highlights our outstanding achievements and ambitious plans for the future.**

This was another year in which the lives and the work of our students, staff and the communities that we serve were affected by Covid-19. Our response to the changing and changeable nature of teaching, learning and working has included ground-breaking research into the local, regional, UK-wide and global repercussions of Covid; an unprecedented level of financial, digital, pedagogical, practical and wellbeing support for our students and staff; and the forging and strengthening of partnerships and collaborations across the country and the world.

In response to the Covid-19 challenges, we have taken mitigating action to build up our cash resilience. As a result, our financial position is strong, which will enable the University to manage future uncertainty and deliver the ambitious objectives for research, innovation, and education set out in our new University vision and strategy.

# Our achievements would not have been possible without the expertise, commitment, professionalism, hard work and passion of our staff.

Student recruitment for the year was buoyant. Total fee income grew by 4.5 per cent to £370 million, with our international student fee income representing 26 per cent of our total income. Once again, we have reaffirmed our position as one of the world's leading universities for teaching and research in the Times Higher Education (THE) World University Rankings 2021, QS World University Rankings 2022, and the Guardian University Guide 2021.

Our research activity has exceeded pre-pandemic levels, bolstered by our flagship institutes, which address global issues around energy, sustainable food, neuroscience, and ageing and multimorbidity. The University's Advanced Manufacturing Research Centre (AMRC) is powering industrial innovation and securing jobs, and we were delighted that the AMRC was chosen as the venue for the launch of the government's Innovation Strategy. As an employer, collaborator, investor, and civic partner, we have continued to play a leading role in the economy of the South Yorkshire region, and in the health and wellbeing of its people, its environment, and its culture.

Despite a Covid-cautious approach which has slowed our investment programme, we have completed three buildings this year which will be home to transformative research. These are:

- the Sheffield PET-MRI facility attached to the Royal Hallamshire Hospital
- the Harry Brearley building, which is home to the Royce Discovery Centre
- the Translational Energy Research Centre

Our Social Sciences building - with new collaborative teaching and social spaces and a research hub - is now on track for completion in 2022. The Transformer, an on-campus energy centre which will ensure business continuity for much of our estate, is built and undergoing testing.

This year, we have also announced several collaborative initiatives that will cement the University's place at the forefront of scientific, engineering and entrepreneurial innovation. Examples include:

- the Sheffield Gene Therapy Innovation and Manufacturing Centre (GTIMC), which will be dedicated to advancing the clinical development of new genetic treatments
- our Mesothelioma UK Research Centre, which will pioneer patient-led research into mesothelioma
- our work with the UK's major industrial clusters to address the challenges of industrial decarbonisation, as part of the Industrial Decarbonisation Research and Innovation Centre (IDRIC)
- Northern Gritstone, our new investment company in partnership with the Universities of Leeds and Manchester, which will help boost the commercialisation of university spinouts and start-ups in the north of England

We want to ensure that sustainability permeates all that we do. Earlier in the year, we published our five-year Sustainability Strategy and have pledged to be carbon neutral on campus by 2030 and across all of our activities by 2038. These commitments align the University with the international scientific consensus and the approach embodied by the UN's Sustainable Development Goals and the Paris Agreement.

This annual report features highlights of the year and examples of projects, initiatives and collaborations - some completed this year, others underway or just launching. Our achievements would not have been possible without the expertise, commitment, professionalism, hard work and passion of our staff. I would like to thank them for making the University of Sheffield such an outstanding place to work and study.

**Professor Koen Lamberts**  
President and Vice-Chancellor

# Foreword by the Chair of Council

**This year has again been dominated by the need for the University to be agile in responding to the changing nature of the Covid-19 pandemic. Above all, there has been the need to ensure staff and students are able to work in a safe and secure environment, while navigating the shifts between online and face-to-face delivery of teaching and the changing rules on the mobility of our students. Throughout this challenging year, our staff and students have shown great resilience and adaptability in confronting these issues and I want to start by putting on record my thanks to them.**

In my report last year, I highlighted the financial uncertainty that we were facing as a consequence of the impact of the pandemic and our need to be particularly cautious. It is a testament to the sensible planning and actions taken at that time by our senior team that we are now able to report a surplus for the 2020–21 year. This has put the University in a good position to respond to any continuing adverse issues which the pandemic may bring.

In addition to the pandemic, there are other major uncertainties on which we need to remain vigilant. In particular, we are awaiting the UK government's response to the Augar Review on fees and funding. Any change to the financing of higher education will of course have an impact and it is important that we are as well placed as possible to respond to those changes, if and when they arrive. With the Brexit process officially over, we now need to reappraise some aspects of our activities to respond to a post-Brexit world. While we welcome the UK's participation in the Horizon Europe research scheme, the absence of involvement in Erasmus+ and other areas of European-wide cooperation creates new challenges that we will have to confront as we move forward into a new era of UK-EU relations. So, overall, we must continue to approach the coming months with caution and ensure that decisions are made in the best interests of the long-term strength of our University.

At the time of writing this report, our admissions picture for the 2021–22 academic year looks strong, particularly in the area of home undergraduate recruitment. Despite the unprecedented nature of the last two years, the University looks set to recruit a diverse and highly-talented set of UK students. International student recruitment remains more uncertain, particularly as it is not yet clear what travel and quarantine rules will be applicable to students from different countries at the time they are hoping to travel to the UK to begin their studies. We will continue to monitor this situation closely and be as flexible as possible in ensuring that international students receive the high-quality education that they deserve and expect. We have also sought to continue to prioritise widening participation to students from disadvantaged backgrounds, many of whom have been more severely impacted by pandemic-related changes in schools and colleges than those from



**Tony Pedder OBE**  
Chair of the University of Sheffield Council

less disadvantaged backgrounds. It is really positive that, despite the enormous uncertainty created by the pandemic, there is still such a strong appetite among young people to access higher education and all the positive experiences that studying at a university like Sheffield brings.

This has been a highly uncertain and disrupted year for existing students. Despite this, I am pleased to report that our National Student Survey results remained encouraging for the 2020–21 academic year. The overall satisfaction of University of Sheffield students is at 80 per cent, four points higher than the sector average, placing us fifth in the Russell Group. We also ranked number one in a number of subjects, including bioengineering, medical and biomedical engineering, and landscape design. Our Students' Union also ranked highly, achieving a satisfaction rate 16 per cent above the sector average for effectively representing students' academic interests. The fact that student satisfaction remains so high, even with all the disruption that students have faced, is a testament to the resilience of our students and to the hard work and adaptability of our academics and support staff who have worked extremely hard in these difficult circumstances to provide an engaging and fulfilling university experience. There are many good examples of teaching excellence throughout the University, where our staff have confronted the challenge of delivering learning in an unprecedented environment and used the potential of digital technology to continue to deliver a high-quality learning and teaching

experience. As just one example of this, we were delighted that one of our academics, Dr Louise Robson from the Department of Biomedical Science, was recently awarded the National Teaching Fellowship by Advance HE for introducing outstanding and innovative teaching practices.

It is particularly disappointing that once again graduation ceremonies have not been able to take place in person. As I said last year, we do regret not being able to share with students and their families and friends that moment of collective celebration of their achievements. The absence of a ceremony does not diminish the pride we have in our 2021 graduates. Our congratulations to them and our best wishes for success in their future endeavours.

Our world-leading research continues to be one of our greatest assets as a University. In the last year, our academics have been at the forefront of the fight against the Covid-19 global pandemic. From studying the effectiveness of Covid vaccines and the time interval between doses to looking at the impact of long Covid and the mental health costs of the pandemic, our academics have once again demonstrated the value of higher education's incredible research strengths. Alongside working to combat the Covid-19 pandemic, our research in other areas continues to drive nationally and globally significant advancements in a number of important fields. Our four flagship Research Institutes provide the basis by which our key areas of strength can be enhanced through collaboration, turning interdisciplinary and translational research into real-world solutions. This year it has also been announced that a pioneering new gene therapy innovation centre, one of three across the UK, will be built at Sheffield, researching potentially life-saving treatments for millions of patients with life-threatening diseases. This Gene Therapy Innovation and Manufacturing Centre will enhance the UK's world-class genetics research base, allowing academics greater access to the clinical materials, facilities, and expertise required to progress gene therapy research into clinical trials. This is a really exciting opportunity for the University of Sheffield and I want to thank everyone who worked so hard on the successful bid to build one of the new centres here.

While we see ourselves as a global university, our deep roots in, and our commitment to, our local community are hugely important to us and we continue to strive to foster strong local and regional partnerships. We recognise the incredibly important role that the University plays in the city of Sheffield and the wider region, both as one of its biggest employers and as a driver of economic growth and regeneration. To this end, we continue to work closely with colleagues in local and regional government and with private and public sector organisations, businesses and community groups in order to maximise the role that we can play in meeting the challenges which the city and the region faces and creating opportunities to enhance the wellbeing of the population. This year, we have also collaborated with the Universities of Leeds and Manchester to found Northern Gritstone, an investment company that will facilitate the commercialisation of university science and technology-related Intellectual Property in the North of England. We intend for it to be one of the largest investors in academic spin-outs in the UK, financing companies in some of our country's fastest growing sectors, including advanced materials, energy, health technology, and cognitive computation, many of which align with our existing research strengths.

An element of our cautious approach over recent months has been a detailed review of all aspects of our physical and digital infrastructure development programme. We are taking the opportunity to reconsider the University's estate and how it should be adapted to suit what new ways of working may emerge following the Covid-19 pandemic. This evaluation is on-going and the most important consideration will be to ensure that students continue to have the highest quality facilities and access to study spaces, and that staff are able to carry out their roles effectively and with access to the equipment they need.

We constantly seek to build our alumni network and encourage all graduates to join the global "family" of University of Sheffield graduates – an active network which can offer support and encouragement to students and fellow graduates. Our graduates often support us through philanthropic donations, large and small, made throughout the year. These allow us to enhance our research, broaden our activities in the field of widening participation, and support our students and graduates alike. This year, we received the highest single donation in our history from one of our graduates. Roughly half of this will help launch a range of activities to help students from areas with low progression rates to access university and support their success in higher education, while the other half will be used to fund crucial medical research in the area of gene therapy through the new Gene Therapy Innovation and Manufacturing Centre which we are developing. My sincere thanks to all those who support us in this way.

The responsibilities on our Council continue to expand and we are determined to respond positively to this. With this in mind, we recently had an external review of our governance and I am pleased to say that, while there are always areas in which we can improve, the University generally rated very highly with identified areas of leading practice. I am grateful to all members of University Council and its committees, who have continued to give calm and effective leadership to the University through this difficult period. The constructive advice and challenge they give to our excellent Executive Board colleagues is vital in ensuring we continue to be an exemplar of sound governance. I would particularly like to thank those members of Council whose terms ended in 2021: Richard Mayson, Stephen Sly, Beth Eyre, Gaynor Hague, and John Brazier. Richard Mayson is also stepping down as Pro-Chancellor, and I want to thank him for all he has done in that role supporting the University and its Council, in particular in support of alumni relations.

We are always cautious of the way we view league tables, but with that caveat, we are pleased that the University's position as one of the Top 100 universities in the world was reaffirmed this year in the QS World University Rankings for 2022, where we also ranked second in Yorkshire & The Humber and 17th in the UK. This ranking is a reflection of the efforts of all those involved with our University and I particularly want to again thank all the University staff who have conducted themselves so professionally through this period. It is due to all their hard work and determination that we enter a new academic year in a sustainable financial position, with a talented and diverse pool of incoming students, and ready to deliver what we all hope is a more normal research and education experience in the year ahead.

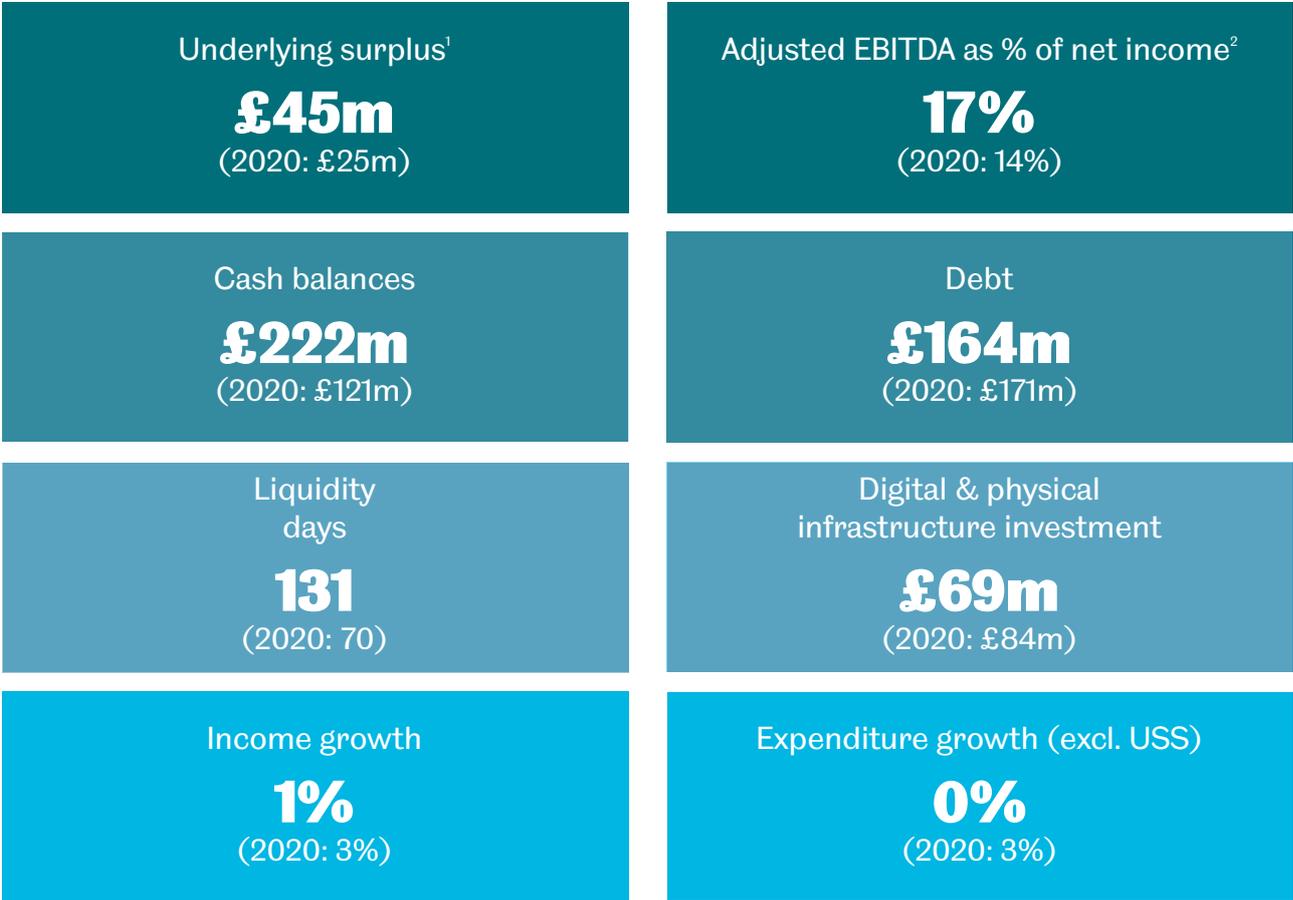
# Financial review

The past year has been one of the most challenging in the University's history. We have operated amidst a continual backdrop of uncertainty such as from Covid, Brexit, pensions and government higher education policy. Through agility and flexibility we have delivered a financially resilient position, which provides financial stability and resilience whilst also creating the capacity to finance our future ambitions.

## Going concern

The financial statements have been prepared on a going concern basis. Details of the basis of preparation can be found in the principal accounting policies on page 46.

## Financial performance



<sup>1</sup>Underlying surplus is calculated by excluding funding council capital grants, research capital grants and associated research depreciation, endowment income, pension provision increases and employee leave accrual movements.

<sup>2</sup>Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is calculated by excluding capital grant income, pension provision increases, investment and endowment income, depreciation, amortisation and interest. It is presented as a proportion of our net income (total income excluding capital grant income).

The year commenced with incredible uncertainty, which remains our operating landscape. Covid meant that predicting our student intake was challenging, with behaviour patterns not replicating anything previously experienced, compounded by national and international circumstances continually changing. Our early financial plans for 2021 were predicated on securing financial stability through building up our cash resilience, such as through deferring or stopping all non-essential spend and investment.

By October it was apparent that the University remained an extremely attractive destination for UK and international students alike. We honoured all our offers made to home undergraduates following the replacement of algorithmic A Level results with centre-assessed grades. Total fee income grew by 4.5 per cent to £370 million, with our international student fee income representing 26 per cent of our total income.

We rapidly transitioned to a blended teaching provision for all students irrespective of location or country. We accelerated investment in our digital infrastructure to ensure the highest quality of teaching provision to our students under the circumstances, spending £4 million. We delayed the start of our postgraduate taught courses by several weeks to allow students more time to travel to Sheffield.

We implemented additional targeted investment of £12 million per annum in those disciplines with significant student growth, to ensure an appropriate teaching base was in place. In 2022 we have bolstered this with an additional commitment of a further £13 million.

Our research activity has exceeded pre-pandemic levels, as we recalibrated to working within socially distanced constraints. Our research has tackled global issues such as energy, sustainable food, neuroscience or ageing and multimorbidity. We are driving innovation, productivity and growth for businesses across the region through our research collaborations, access to translational facilities, and provision of skills development.

Trading outlets, such as cafes, hospitality and conference venues saw the same dramatic reduction in income as the rest of the hospitality industry. Operations were closed during the lockdown period, footfall on the campus dramatically reduced, conferences moved online and events such as weddings were postponed due to restrictions. For Unicus Ltd, our catering and conference business, income in 2021 was just 53 per cent of that in a pre-pandemic year. We minimised the financial impact by repurposing staff to other duties where demand increased, or by furloughing staff. Despite this, losses within Unicus Ltd were unavoidable, as has been the case across the hospitality industry nationally.

Many staff were able to continue working throughout the pandemic as teaching and research activities continued, and for support services many could work from home. Some staff, such as those in our hospitality activities, could not work. We were helped by furlough support from the government of £6 million. We supplemented furloughed staff pay to 100 per cent, costing us an additional £3 million. Where possible we also sought to repurpose staff into alternative roles where the pandemic was driving up activity, such as student support or cleaning roles.

We recognise the incredible role our staff have played in delivering our financial position this year, despite the additional stresses the pandemic has inevitably caused. Our staff remain our single largest item of expenditure at £385 million. We have invested in staff health and wellbeing, and have rolled out a wealth of tools and support mechanisms to provide ongoing support to our staff.

We made available additional student hardship support funds of £3 million, and repurposed our estate as a testing centre which we later reconfigured to become a vaccination centre for the benefit of our students and the wider community. We provided students in University accommodation with refunds totalling £6 million for when they were unable to reside in University accommodation.

We put in place measures ranging from hand sanitiser and signage to door holders, all to minimise transmission of Covid-19 and help with social distancing compliance. We moved open days online, extended library opening hours, put in place our own contact tracers and additional student enquiry staff, and waived resit fees. We purchased additional PPE to protect our staff and students. The cost of these additional activities was £3 million.

We are reporting an underlying surplus of £45 million. Part of our financial strategy is to generate an underlying surplus for our long-term financial sustainability. Our financial results alone could be misconstrued as the pandemic having had a minimal financial impact. That is not the case at all; it is through our collective mitigating actions and strong financial stewardship that we are able to report a surplus. This surplus puts us in a sound position which will enable us to continue to fund additional investment, to be able to deliver and achieve our vision, and to manage the risk of continued uncertainty.

In June 2021, S&P Global undertook their annual review of the University commenting that, "The University of Sheffield has improved its financial resources position and is well placed to meet pandemic-related headwinds and sector-wide challenges". Our outlook was revised up to 'stable' and our long-term issuer credit rating affirmed at 'A+'.

## Cash and liquidity

We have managed our cash tightly during the financial year. We chose to pause or stop non-essential or non-contractually committed investment in our physical estate in order to bolster our cash balances, and create the headroom to invest in areas of priority and need. This has allowed us to build resilience during this period of uncertainty, to be able to prioritise Covid-19 related expenditure, and to allow us to generate the necessary resources for our future investment plans. We remain mindful of our future and have laid the foundations for funding the delivery of our strategy, whilst being able to weather the challenges and uncertainties ahead.

Cash balances at the year end are £222 million and our debt levels at 31 July 2021 are £164 million, excluding pension liabilities. The cash balances will help fund targeted investment in 2022, such as £13 million already committed for strategic staffing investment. The cash balances also reflect spend deferred or delayed from the previous year. £15 million of IT and infrastructure expenditure has been deferred from 2021 into 2022. Expenditure on the Social Sciences hub of £42 million was delayed from 2021 to 2022. We have also sold shares in an investment, realising £8 million for future strategic investment. We have disposed of properties realising £4 million and will use these proceeds for future IT and infrastructure investment. We received cash of £9 million in relation to insurance proceeds, with £5 million of the associated spend yet to be incurred in future years.

We expect our liquidity levels to 'normalise' over the medium term as we catch up with deferred expenditure, continue with heightened investment to support our students, recommence paused IT and infrastructure investment, and commence strategic investment in our vision.

We remain compliant with all our bank covenants, both when reporting upon 2021 and also within our financial forecasts.

## Pensions

We are reporting a pension liability of £225 million, compared to £261 million in 2020. This is in respect of our two main pension schemes: USS and USPS.

### Universities Superannuation Scheme (USS)

USS is a multi-employer scheme where our liabilities are £102 million at 31 July 2021 (£97 million: 31 July 2020). The outcomes of the 2020 valuation were not concluded at the year end and are therefore not included in the financial statements.

Since the year end the 2020 valuation has been completed. If this latest valuation had been used as the basis for our provision the charge in the year would have increased from £5 million to £189 million. We would be reporting an operating loss of £136 million instead of a surplus of £48 million.

The 2020 valuation will be reported in the 2021–22 results, giving rise to large losses across USS participating universities, and year to year volatility.

This is an issue that affects all institutions that participate in USS.

### **The University of Sheffield Pension Scheme (USPS)**

Included in the results is an actuarial gain of £43 million for the University of Sheffield Pension scheme (USPS). This compares to an actuarial loss of £65 million in 2019–20 and illustrates the volatility on this line.

The gain reflects the decrease in the USPS deficit provision, which reduced from £164 million to £123 million. The provision has reduced due to three main reasons, the return on the plan assets (accounting for c. 65 per cent) and the net effect on the obligation (c. 35 per cent) of the changes in assumptions offset by the experience adjustment as a result of the new 2020 USPS valuation performed by the scheme actuary.

## **IT and infrastructure investment**

Our physical and digital estate of £1.5 billion is central to the delivery of the University vision and allows us to provide world-class teaching, learning and research facilities for our staff.

We have slowed our investment in the year, spending £69 million (2020: £84 million) during the year on our digital and physical infrastructure, with £30 million (2020: £60 million) of this being self-funded.

As a consequence of Covid we redefined and accelerated our digital investment priorities, with particular focus upon supporting our teaching delivery to our global student community. Examples include new and enhanced software for remote delivery, provision of equipment to enable remote teaching and working, and enabling infrastructure such as links for our international students. We continue to see an increased use of cloud-based technologies, transferring some of the risks away from ourselves and on to providers.

We scaled back significantly on our physical infrastructure investment plans, restricting expenditure to that which was either contractually committed or a priority requirement. Pausing capital plans in this manner is only ever a short-term solution. Construction inflation is running at extremely high levels and we remain mindful that maintenance spend also increases with continued deferrals of investment.

A key capital project concluded during the year is the Sheffield PET-MRI scanner. This is the UK's 8th and Yorkshire's only PET-MRI facility and was completed in December 2020 at a cost of £10 million. Thanks to the incredible support of over 11,000 donors, our Sheffield Scanner appeal raised over £2 million, helping to establish this ground-breaking facility in the city. The Sheffield Scanner is the world's most advanced medical imaging system, combining PET and MRI in one machine. The new facility will enhance our medical research and allow us to take exciting discoveries into clinical trials to give patients in Yorkshire access to ground-breaking new treatments.

Investment in our Social Science building of £42 million was deferred from 2021 to 2022 due to construction issues which delayed the project by 12 months, and this has been at no detrimental cost to the University. This home for the Faculty of Social Sciences will improve learning for students through its new collaborative teaching and social spaces and offer a wide range of disciplines under the same roof for the first time. It will also include a research hub, bringing together cross-cutting research centres to address key global challenges. Green space, which will be open to the public as well as students and staff, will be part of the development, providing an improved local environment.

Our intangible assets include £6 million at 31 July 2021 in respect of the Strategic Information Technology Systems (SITS) which is part of the Student Lifecycle Programme (SLP). As work has progressed, it has become clear that it will not be possible to integrate SITS with the current Corporate Information System as initially planned. This means that we need to adjust our approach and deliver our objectives in a different way. We will move away from the concept of a single large transformative student lifecycle programme to incremental change in processes and associated systems to realise business benefits, including greater standardisation in line with our One University strategy. As a result of this £9 million has been impaired during 2020–21 on the SITS intangible asset.

## **Financial strategies**

### **Financial Strategy**

The overarching aim of the Financial Operating Strategy is to enable the University to achieve a robust, solvent and sustainable financial position that supports the University's core activities in the short and long term and which facilitates the Strategic Planning, development and implementation of activities and decision making in all areas of the University's operations to achieve the University's vision.

This is accomplished through the establishment of clear financial targets, effective management of financial opportunities and risks, maintaining high standards of financial probity and accountability and achieving value for money from all our activities.

We are currently developing a new Finance Strategy to underpin the delivery of the new University Vision. It is anticipated that this will incorporate a financial framework which includes principles regarding minimum cash balances, adjusted EBITDA target levels, or the need to generate an operating surplus, whilst operating as 'One University'.

### **Treasury management policy**

The University's treasury management policy seeks to develop funding strategies to meet our short and long term requirements including all aspects of cash flow management. The policy includes objectives of treasury risk management, efficient cash management, securing the most flexible and efficient approach toward capital financing, and managing liquidity requirements.

These objectives are to be achieved in a manner that facilitates maximum flexibility for the University within acceptable risk parameters and within the University's approved financial strategy.

At the financial year-end the University had cash of £222 million and net liquidity days of 131. This is an increase from 2020, reflecting plans for future strategic investment, commitments to put in place additional student-facing staff in areas of student growth, commitments for deferrals

of expenditure from 2021 into 2022, and being able to mitigate the risk of uncertainty.

We closely monitor our forecast cash balances and net liquidity days, including those under downside scenarios. We have a target of holding a minimum of £100 million of available cash in an atypical year such as this, and £125 million in a normal year, and our actions have ensured that this is delivered throughout our forecasts.

### Endowment investment policy

The University holds endowments of £47 million.

The primary purpose of the investment of endowment funds is to optimise returns to meet the specific purposes for which the funding was given to the University, to preserve the real value of capital and income over the long term, and to minimise volatility.

The University of Sheffield is committed to investing its funds on a socially responsible basis. The University believes that to accord with its values when investing its funds, regard must be made to social, environmental, sustainability and governance issues. Whilst the investments are managed by external independent fund managers, the University expects its appointed fund managers to encourage good behaviour or discourage poor behaviour through the screening of investments, either positively or negatively, and through the direct engagement with firms.

Further details on the policy can be found here: [www.sheffield.ac.uk/foi/publication](http://www.sheffield.ac.uk/foi/publication)

### Looking ahead

The University has a solid financial position and is well placed to meet sector-wide challenges, to weather uncertainties, and to be financially enabled to drive forward our strategic priorities. We have a sufficiently strong financial, liquidity and capital position to execute our strategy, invest utilising our cash balances, and retain a sustainable and resilient financial position.

There is no denying that the outlook is uncertain and that we will face challenges. Covid still remains a significant part of our lives, and in an international community like ours we continue to experience the impacts of Covid from across the globe. We have started to feel the impacts of Brexit, such as upon the lead times and prices of goods and services, or upon members of our University community from the EU. Government funding cuts are anticipated to become a reality, such as from the Augar review. Pension schemes remain in deficit with USS contributions set to increase. The immediate cost pressures we face are included within our plans. Our scenario modelling incorporates the financial impacts of potential cost pressures so we can provide assurance that we can mitigate and manage the associated financial risk.

We have already made a commitment to our international students that we will finance the cost of quarantining, and we continue to incur costs that will enable a vibrant campus atmosphere alongside appropriate Covid safety measures. We know we have to play catch-up with operational and IT and infrastructure investment costs that have been deferred from 2021 into 2022 and beyond.

Initial indications for 2022 are positive and reassuring. Student recruitment has proceeded in line with our plans and the campus is once again buzzing with activity. We have the digital infrastructure now embedded to rapidly change our teaching delivery with minimal disruption if circumstances change.

We have many opportunities ahead, and it is more important than ever that we seize these. We have a new University vision with clear long-term plans and ambitions. We are well placed to be able to invest in delivering our vision so that we can deliver life-enhancing research, innovation and education that transforms the lives of our graduates, and shapes our future and the world in which we live.



# Our vision for the future

In 2020, the University developed a new vision that was approved by University Council and sets out our ambitions for 2020–2027. Our vision and strategic plans will enable us to steer decisively through the challenges ahead, to remain agile and competitive, to realise our ambitions and fulfil our responsibilities.

## Our vision

We will deliver life-enhancing research, innovation and education that not only transforms the lives of our graduates, but shapes the world we live in. We believe the best way to achieve this is by fostering an ambitious, inclusive, collaborative community.

## Our values

We are, and always will be, guided by our values:

- We are ambitious and strive for excellence in all that we do.
- We believe in collaborative working.
- We champion an inclusive and diverse community.
- We are responsible - for our people and the wider world.
- We are open and transparent about the decisions we make.

## Our pillars

Our University's core purpose is to deliver world-class **research, innovation and education**. We will do this by working as **One University**. These equally important four pillars underpin our vision.

### Research

Our distinctive and innovative research will be world-leading and world-changing. We will produce the highest quality research to drive intellectual advances and address global challenges.

### Innovation

Our transformative research and enterprise will find solutions to problems facing society. We will enable and promote a culture of excellence in innovation and entrepreneurship across the University.

### Education

Our teachers will deliver research-led programmes that inspire, enthuse and challenge a diverse community of outstanding students. Our graduates will be equipped to stand out as confident global citizens guided by strong values, ethics and standards – able to make meaningful contributions to society.

### One University

We will build a diverse community of staff and students from a broad range of backgrounds, demographics and cultures, to create an inclusive, supportive and collaborative environment in which they can succeed and flourish.

## Making our vision real

During the last year, we have developed and finalised Strategy Delivery Plans for each of our pillars. These plans lay out the actions that we will take to achieve our vision and the timeframes for their completion over the next five years.

Each Strategy Delivery Plan informs our Strategic Department Framework, which supports departments across the University in thinking about their contribution to the vision as part of our planning to 2027. This framework has been implemented as part of a refreshed approach to strategic planning across the University.

## Our progress

To assess our progress towards the ambitions outlined in the vision for 2020–2027, we have put in place a new suite of performance indicators and targets that span the pillars of the vision. These indicators will inform target setting across the University and are regularly reviewed in the context of the changing internal and external environment.

The performance indicators use a mixture of comparative and absolute measures to assess the University's performance. They sit alongside the overviews of each pillar in our Annual Report to provide a rounded picture of the University's performance, achievements and challenges. Each small graph shows the current direction of travel towards our 2027 KPI targets.

## Overall strategic performance 2020–21

	Key performance indicator	Direction of travel
<b>Research</b>		
<b>Research excellence</b>	To ensure a high proportion of our research is adjudged to be world-leading or internationally excellent by peer review through the Research Excellence Framework and internal exercises.	
<b>Research income</b>	To increase research income, maintaining our position as one of the UK's leading research intensive universities.	
<b>PGR student experience</b>	To improve the PGR student experience, benefiting student wellbeing and improving timely thesis submission rates.	
<b>Innovation</b>		
<b>Knowledge exchange</b>	To achieve excellence in Knowledge Exchange, as recognised by our performance in the Knowledge Exchange Framework.	
<b>Education</b>		
<b>Student experience</b>	To deliver an exceptional student experience, leading the Russell Group in the National Student Survey outcomes.	
<b>Widening participation</b>	To support the recruitment of students from under-represented groups, meeting our targets for widening participation and the recruitment of students from low participation neighbourhoods.	
<b>High-achieving applicants</b>	Increase and sustain the number of high-achieving applicants going on to study at the University.	
<b>One University</b>		
<b>Staff diversity</b>	To increase the diversity of our staff body and support the career progression of BAME staff.	
<b>Reputation</b>	To be recognised as one of the top universities in the UK and continue to be recognised as one of the top 100 in the world.	
<b>Financial sustainability</b>	Support the financial sustainability and resilience of the University, through the achievement of an target Adjusted EBITDA as a percentage of net income.	
<b>Environmental sustainability</b>	Become one of the most sustainable research intensive universities in the UK with substantial reductions in our carbon emissions.	

# One University

We know that the best way to deliver life-enhancing research, innovation and education is by working together as One University. We therefore continue to focus our work on progressing equality, diversity and inclusion as we continue to build a collaborative and responsible community.

## Staff mental health and wellbeing

We have launched a number of new initiatives and activities as part of the two-year [Mind's Mentally Healthy Universities Pilot Programme](#). We recently signed the Student Minds University Mental Health Charter, a quality assurance programme which aims to give universities the tools needed to enhance staff and student mental health. Over the coming years, we will work towards achieving a formal Charter accreditation.

We signed up to the [Mental Health at Work Commitment](#) and continue to work towards the six mental health standards. Our achievements have been highlighted in the Mental Health at Work Commitment Guide for the Higher Education Sector, published earlier this year.

## Wellbeing and mental health champions

Over 90 staff members have been trained as Staff Wellbeing and Mental Health Champions. Alongside this, we launched a pilot Peer Supporter scheme, where staff with lived experiences of mental health problems use their experiences to support colleagues.

## Creating an inclusive and diverse community

We launched new iterations to our [Race Equality Strategy and Action Plan](#), which aims to improve the representation, progression and success of Black, Asian and Minority Ethnic (BAME) students and staff. This live document is a culmination of the valuable partnership between students and staff at Sheffield.

As part of this, Student Support Services delivered a staff development programme on race equality and allyship, supported by our external partner, Diverse Minds. Anti-racism training and development was delivered to students, including annual inductions for all new students, alongside training for sports clubs and student societies.

Over 2,500 staff members have taken our mandatory equality, diversity and inclusion training module. This baseline training provides staff and postgraduate researchers with the core foundations and understanding on diversity and inclusion.

## Disability and dyslexia support

A new Student Support Worker mentoring team has been introduced in our [Disability and Dyslexia Support Service](#) (DDSS). The mentoring team has been working with the Faculty of Engineering and IT Services on the development of a new Learning Support Plan system, set to be piloted in 2021–22. The DDSS has also contributed to work around digital accessibility and using feedback from Digital Accessibility Ambassadors we have made improvements on the accessibility of a selection of Blackboard courses.

## The gender pay gap

We established a Gender Pay Gap Working Group to deliver on our target of a reduction of five percentage points in our gender pay gap by 2025. Our most recent [Gender Pay Gap Report](#) shows that our gender pay gap continues to fall and outlines the work we are doing to take action to reduce the gap. This work compares well with the figures published by other Russell Group universities last year, but we recognise we still need to do more to reduce the gap at a greater pace.

We introduced [new Menopause in the Workplace resources](#) for staff members experiencing the menopause, including a staff toolkit and information to help staff get the support they need whilst at work, alongside a separate managers guide to ensure managers are equipped to support staff. We also invested in Peppy Health, a specialist menopause support app, available for free to all University staff members. So far more than 300 people have downloaded the app, and this work is an important step in our efforts to eliminate the gender pay gap by providing support for staff, improve staff wellbeing and make a significant difference to the experiences of our whole University community.

## Strategies in development

Using feedback from our University community and working in partnership with our staff networks, we are currently developing a range of University-wide strategies and action plans that will help to progress our work around equality, diversity and inclusion. These strategies and accompanying action plans relate to Religion, Belief and Non-Belief, Disability, LGBT+ and Mental Health.



### Supporting students during the pandemic

We have continued to support our students in response to the coronavirus pandemic. We created the Student Covid-19 Support Fund to provide financial support to help cover costs incurred due to the pandemic, for example for equipment for remote learning, and hotel bills for those required to quarantine on arrival in the UK. We also put in place a dedicated support programme for those who were self-isolating, with regular welfare calls and fast-tracked access to mental health support.

Our University Health Service (UHS), continued to run on-campus throughout the pandemic and assisted with the roll-out of the NHS England Covid-19 vaccination programme by providing vaccinations to community health and social care staff. In recognition for their contributions, the team won an award for 'Practice Nursing Team of the Year' as part of the General Practice Awards in 2020.

The Student Online Orientation Hub was developed in 2020. Available to all undergraduate and postgraduate students, the hub provides help and information, social activities and ways to come together virtually to share ideas and make friends.

### Setting ambitious targets for sustainability

We published our [five-year sustainability strategy](#) which details our broad aims and objectives to 2025 and sets out our ambition to be carbon neutral on campus by 2030, and across all of our activity by 2038. These ambitious targets recognise the seriousness of the climate emergency and the need to make urgent changes to how we operate as a University. Alongside our strategy we also launched a comprehensive [live action plan](#) which tracks the projects and actions being undertaken across areas such as buildings, travel and waste, to make us more sustainable.

In 2020, the University achieved a 47 per cent cut in our on-campus emissions since 2005–06, exceeding our targeted 43 per cent reduction for the period.

[A Five-Step Framework for embedding Education for Sustainable Development](#) has also been launched, developed by Dr Caroline Hart (School of Education). An Education for Sustainable Development (ESD) Working Group has been utilising the Framework to support the embedding of this agenda within departments. Students have played a key role in making the case for ESD across the University with many working directly with departments to integrate sustainability into teaching and curriculums.



## Alumni and philanthropy

We are grateful for the incredible work of our alumni volunteers and the philanthropic support that is set to benefit hundreds of students.

Much of the planning has now been done for Sheffield's first institution-wide fundraising and engagement campaign. This is an ambitious campaign that aims to deliver a major uplift in alumni engagement and philanthropic support. A campaign identity has been developed, a first phase of priorities has been established, a campaign narrative has been built and a great group of alumni leadership volunteers has been formed to assist in the delivery. The Campaigns and Alumni team is now looking forward to testing the campaign story and priorities at sessions throughout 2021–22. In doing so they will be informing, engaging and mobilising many more alumni and friends around our ambitions.

Alumni volunteering and philanthropic support continues to grow, and this support is more important than ever. Record numbers of hours were given to support student and alumni employability - 1,000 alumni from 50 countries gave 12,000 hours of their time to support 7,000 students and recent graduates. Alumni supported international recruitment activities where alumni from 16 countries spoke to 261 postgraduate offer holders. We also saw double the amount of philanthropic support given in support of our students and research agendas than in any previous year. This included a record £5.85 million donation from *The Law Family Charitable Foundation*, established by alumnus Andrew Law. This gift is the largest single commitment the University has received from an alumnus/a.

### Inspiring graduates sharing their wisdom

Through our alumni network we have schemes to inspire prospective students and to provide careers support for existing students. Our brand new Ask a Graduate programme matched 262 international postgraduate offer holders with alumni from 16 different countries, giving them the chance to ask questions and be inspired by the alumni experience. 533 students were matched to alumni mentors on the Careers Service eMentoring Programme. We launched our first ever alumni-to-alumni speed networking programme, Coach Cafe, giving over 60 recent graduates the opportunity to learn and hear from 25 Alumni Coaches - fellow Sheffield alumni further along in their careers.

Our virtual alumni speaker programme, Sheffield Insights, featured a diverse range of inspirational alumni sharing their career experiences and advice on navigating the world of work. A record number of alumni supported the 'Global Engineering Challenge' event and 'You're Hired', the flagship project weeks in the Faculty of Engineering. 70 students from widening participation backgrounds took part in our London City Connections and Northern City Connections virtual business visits and networking events.



## Global engagement

Throughout the Covid-19 pandemic we have remained resolute in our mission to be a global university, providing a centre for international scholarship, delivering world-class teaching and leading impactful research.

### Attracting students from across the globe

Close working has continued with Study Group to recruit students onto our undergraduate and postgraduate progression route programmes, with a focus on increasing diversity across nationalities and subject streams with a comprehensive marketing plan to further this work in future years.

We have signed seven new agreements for undergraduate and postgraduate recruitment pathways (in Engineering, Politics, Chemistry, Law, Architecture/Urban Studies and Planning, School of Health and Related ResearchARR) with partners in China and Malaysia.

### Developing global graduates

In addition to the 142 students who were able to undertake mandatory student exchanges this year, 25 Global Summer Experience Scholarship winners took part in summer schools with partner universities in France, Denmark, Portugal and the Netherlands.

Virtual exchange programmes run in collaboration with our international partners have provided even more scope for our students to gain global experience. 30 of our students joined 15 students from Nanjing University to take part in an online summer school, funded by the British Council's UK-China Outward Mobility Partnership Fund; this project will also facilitate capacity building, academic collaboration and staff workshops on internationalisation.

Alongside this, we have reaffirmed our commitment to supporting as many opportunities as possible in future years and were awarded £1.5 million as part of the [Turing Scheme funding for 2021–22](#).

### Our global partnerships

We have continued to develop research collaborations, educational partnerships, reputation raising activities, and student and staff exchanges with our seven priority partners. We have agreed annual jointly-funded seedcorn funds, which will initiate collaborative research with the University of Alberta (Canada) and the Manipal Academy of Higher Education (India). We have finalised plans to welcome staff and PhD students from the University of Ghana for a period of three months as part of a three year €236,000 ERASMUS+ International Credit Mobility programme.

Our priority university partners are selected on the basis of their global ranking, research intensive nature and a match to areas of research excellence at the University of Sheffield. Our global strategy is to engage with these partners on a range of activities, but with a particular focus on expanding research collaboration. The research topics for collaboration align with the research excellence agenda in our vision, and work is already underway with our four Flagship Research Institutes to establish collaborations with both current and new international partners. In addition, there is a geographical focus on expanding collaboration with US and European universities.

One such partnership is with Nanjing University who is ranked 6th in China. There are many complementary areas of research, with the longest standing being The Joint Research Centre for Wide Bandgap Semiconductor Optoelectronics, though four of our five faculties are involved in collaborations. Our partnership with Nanjing is multi-faceted and extends beyond research with outbound and inbound student exchanges, as well as a close working relationship with our Confucius Institute.

British Council funding is also facilitating a £30,000 knowledge exchange project which will see Sheffield sharing its expertise and experience of internationalisation, as well as growing academic collaboration and outbound student mobility. Looking to the future, there are opportunities for research collaboration with the flagships as well as with the Digital Humanities Institute and a number of other subjects across our faculties.



# Research

Our researchers are finding ways to improve lives globally, from unravelling the link between Motor Neurone Disease and physical activity, to transporting us via robots to far-flung places and finding ways to bring sustainable energy to off-grid communities.

## Genomics findings shed light on Covid-19 transmissibility

As one of the first teams nationally to publish sequenced genomes of the Covid-19 virus, researchers from the Sheffield Covid-19 Genomics group revealed new findings which could shed light on why the UK variant of Covid-19 is more infectious. Led by Professor Thushan de Silva, Department of Infection, Immunity and Cardiovascular Diseases (IICD), the researchers found that an additional mutation in the nucleocapsid gene could affect the viruses subgenomic RNA production. This change would make it more effective at evading our immune systems and allowing more replication, resulting in the higher-viral load and increased transmissibility of this variant.

## Pandemic effect on education in Argentina

Investigating the consequences of the pandemic on education in Argentina, Dr Lauren Rea, School of Languages and Cultures and colleagues in Argentina have been awarded funding under the British Academy Global Challenges Research Fund (GCRF). The project will generate reports for educational authorities and government ministries in Argentina, and pilot classroom and teacher training materials in childhood diversity, and aims to ensure that addressing the existing structural inequalities and understanding the diversity of lived childhood experience are at the forefront of the post-pandemic response.

Read more about our research tackling Covid-19 here: [www.sheffield.ac.uk/research/coronavirus](http://www.sheffield.ac.uk/research/coronavirus)

## Robotic engineering transporting us across the world



Researchers from the Faculty of Engineering have joined the spinout Cyberselves to develop a new app that could enable people to transport themselves into the body of a robot located anywhere in the world. The technology

allows people to experience what the robot sees, hears and feels. It is able to connect with any commercial VR headset and is accessible through a computer browser. It can help people visit relatives, explore tourist attractions across the world and has the potential to deliver personalised healthcare, address social isolation and help with the clean-up of hazardous environments.

## Assessing the use of rock dust to capture greenhouse gases



Photo credit: Jordan Goebig

A team of scientists led by Professor David Beerling FRS, Director of our Leverhulme Centre for Climate Change Mitigation, has been awarded £4.7 million to develop a large multi-partner research project looking at the scientific, economic and social acceptability of using rock dust in agriculture to capture greenhouse gases. This project will provide the first integrated whole system assessment of the opportunities and challenges of using rock dust in UK agriculture. The results will be used to shape longer-term government decision-making on the most effective technologies to help the UK tackle climate change.

## Harvesting the sun twice



A £1.4m UKRI Global Challenges Research Fund initiative led by Vice-President for Research Professor Sue Hartley

with Dr Richard Randle-Boggis is [developing a way to bring renewable energy to rural communities in East Africa](#). The research team is investigating the implementation of agrivoltaic systems, which unlike traditional ground-mounted solar power arrays, are constructed several meters high, with gaps between the arrays, enabling crops to be grown underneath so the same land produces both energy and food. Improved growing conditions under the panels means higher-value crops can be grown in locations previously unsuitable. The research team is collaborating with local stakeholders at implementation sites in Tanzania and Kenya.

### **New Centre for Adult Social Care to promote independence and wellbeing**

Researchers from the University of Sheffield and Birmingham are developing a [Centre for Adult Social Care called IMPACT](#) (Improving Adult Care Together). Funded by the Economic and Social Research Council (ESRC), part of UK Research and Innovation, and the Health Foundation, the centre is set to be the first of its kind in the UK. The centre will lead the way in supporting innovation in adult social care, by using evidence gathered from across the UK including lived experience, the expertise of people working in social care and findings from the latest and best research, to improve these services for carers and the people they support.

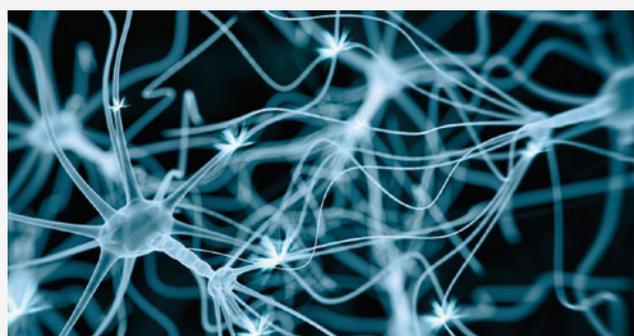
### **Ancient Scottish Tsunami could destroy towns today**

A study led by researchers at the Universities of Sheffield, St Andrews and York has revealed that the [Storegga tsunami](#) that hit Scotland's coastline 8,200 years ago could devastate entire towns if it happened today. Although the tsunami is considered to be the largest natural catastrophe to happen in the UK in the past 11,000 years, this is the first time that researchers have been able to model the inland impact of the ancient wave. The findings suggest that should an event of the same magnitude happen on the coastline again today, many of our coastal towns and cities could be completely devastated.

### **Mozart's liberal approach to performing his string quartets**

[Mozart's autograph manuscripts](#) reveal how he prioritised the practical considerations of performance over compositional authority. Comparing Mozart's autograph manuscripts with the first published editions, research by Professor Simon Keefe, Department of Music discovered that the composer made surprisingly drastic changes to many passages, revealing a significant reconception of both the compositional fabric and the sonic world of the quartets. The findings were brought to light in an inaugural collaborative event featuring musicians from the world-class Manchester Camerata.

## **Flagships**



Our four flagship research institutes bring together the strengths of all our academic disciplines to tackle the greatest issues facing humanity, turning interdisciplinary and translational research into real-world solutions. Here are just some examples from over the past year.

A pioneering study led by Professor Dame Pamela Shaw and Dr Johnathan Cooper-Knock from our [Neuroscience Institute](#) represents a significant step towards unravelling the link between high levels of physical activity and the development of motor neuron disease (MND). The findings show [frequent strenuous exercise increases the chance of developing MND](#) in genetically at-risk individuals. Complex diseases such as MND are caused by an interaction between genetics and the environment, and understanding this interaction could pave the way towards discovering therapies and preventative strategies for this cruel and debilitating disease.

A research team led by Professor Ilaria Bellantuono, Co-director of the [Healthy Lifespan Institute](#), is [investigating a drug called Zoledronate](#), which is currently used to treat Osteoporosis. The team are investigating the ability of Zoledronate to decelerate biological ageing and improve physical resilience of older organisms so that they are healthier and more able to recover from adverse events. Drugs such as Zoledronate signal a new era of medicine

that could boost resilience and help us delay or even prevent the onset of multimorbidity so we can improve quality of life, and reduce the costs of care.



For the first time, researchers in [The Institute for Sustainable Food](#) mapped food insecurity at local authority scale and revealed the areas in the UK where residents most struggle to afford or access food. The study, led by Dr Megan Blake and Dr Adam Whitworth, should provide a valuable resource to help local authorities and government agencies address the problem at local levels.

Researchers at [The Energy Institute](#) are examining the prospect of sustainable aviation fuel to reduce the environmental impact of aero-engines. The researchers are part of an [£8 million programme](#) that aims to reduce the environmental impact of aviation and power generating gas turbine engines. Utilising our new Auxiliary Power Unit testing facilities and sustainable aviation fuel production pilot plant at the Translational Energy Research Centre - the first of its kind in the UK - we are supporting the development of low emission engine designs and the evaluation of new low emission fuels.

# Innovation

Our multidisciplinary work at the frontiers of knowledge continues to improve lives, working across South Yorkshire and our wider community. We are driving change in the culture sector using transformative research to work through challenges. Explore how we're driving developments across industry and society.

## Supporting our cultural sector

A project led by Professor Vanessa Toulmin, Director of City and Culture and Chair in Early Film and Popular Entertainment, with colleagues from the Music, English and Urban Studies and Planning departments, has played a key role in helping the cultural sector in South Yorkshire reopen and recover from the impact of Covid-19. In partnership with key cultural organisations in Sheffield, the one-year project funded by the Arts and Humanities Research Council (AHRC) collected crucial data on audiences, venues and freelancers to identify gaps in support and understand the challenges faced, in order to shape recovery plans.

Subsequently, 83 freelance arts and culture workers based in Sheffield are benefiting from cash support to develop their creative and business practice, thanks to funding from Sheffield City Council and Sheffield Culture Consortium members, which include the University. The fund was developed in response to the survey that highlighted the huge impact of the Covid-19 pandemic on those working independently in the cultural industries.

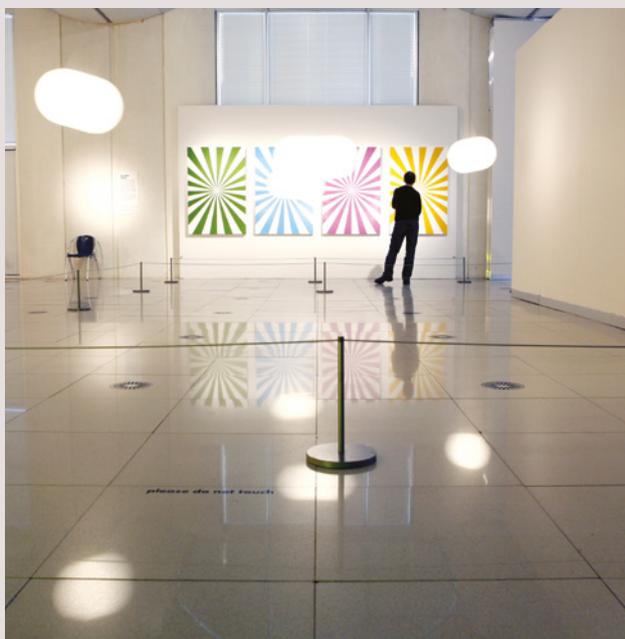


## Helping to rejuvenate the High Street

With the support of the University, Sheffield City Council was successful in its bid for £15.8 million from the Future High Streets Fund to rejuvenate and reinvent Fargate and High Street as social hubs in the city. Based on research led by Professor Toulmin, including a series of planning workshops with over 120 stakeholders to gain insights on flood defence, urban space and other issues, students from our Department of Urban Studies and Planning, and School of Architecture helped to visualise a high street that is as much for the young generation as it is for long-term residents and reflects all the elements of the feedback we received from partners and businesses in the city.

## New gene therapy innovation centre

A pioneering gene therapy innovation centre is set to advance scientific discoveries into promising treatment options for millions of patients with life-threatening diseases. The Gene Therapy Innovation and Manufacturing Centre (GTIMC), led by Professor Mimoun Azzouz, is one of three pioneering hubs in a new £18 million network funded by LifeArc and the Medical Research Council (MRC), with support from the Biotechnology and Biological Sciences Research Council (BBSRC), and a £3 million donation from The Law Family Charitable Foundation, established by University of Sheffield alumnus Andrew Law and his wife Zoë. Gene therapy is a promising treatment option for more than 7,000 rare diseases that currently have no cure. It aims to treat these conditions by engineering another gene to replace, silence or manipulate the faulty one.



## Tackling skills shortages

We are part of a [new skills partnership in the Sheffield City Region](#), which aims to tackle current and future skills shortages in the wake of the pandemic. The Regional Post-18 Education Partnership, believed to be the first of its kind in the country, is a forum for building a post-18 education and skills system. It is focussing on issues such as skills shortages, education progression routes, apprenticeship opportunities, outreach work with hard-to-reach communities and delivering lifelong learning. As well as the region's further and higher education providers, the partnership includes the Sheffield City Region Local Enterprise Partnership, the Confederation of British Industry (CBI), and the Higher Education Progression Partnership.

A total of 140 of our arts, humanities and social sciences students from underrepresented backgrounds have benefited from paid work placement opportunities as part of the Transforming and Activating Places project funded by Research England and the Office for Students. Businesses from a variety of sectors have taken part in the initiative, which aims to help organisations build a more diverse future workforce by enhancing equality, diversity and inclusion in the planning, design and reinvention of the public spaces at the heart of every community. The students bring knowledge and experience from their University studies to help reimagine spaces that can promote people's health, happiness, and well-being. The initiative will lead to follow-on projects for the students with their host partner and will also enable the University to develop graduate opportunities and entrepreneurship in areas where there is currently an evidenced deficit.



## Resilience through innovation – backing SMEs in manufacturing

The ability for SMEs to access the world-class facilities and design and manufacturing expertise at the University's Advanced Manufacturing Research Centre (AMRC) has enabled improvements to the viability and usability of products, the transformation of businesses and the expansion into different markets.

A small Sheffield business has developed a potentially 'world-beating' handheld laser marking machine with support from engineers at the AMRC. Bel-Marking and the AMRC worked together to create a failsafe enclosure so there is less danger from the laser beam – an issue that has held back the widespread adoption of the technology. Engineers produced designs for the guard idea for a handheld laser marking machine, showing that there is real potential for this to be a world-beating product.

With Zen, a South Yorkshire SME, the AMRC has helped to revolutionise how professional golfers practice and how we watch the game on TV with the world's first fully adjustable, computer-controlled playing surface. AMRC engineers designed a more accurate, quicker to produce, and future-proofed system, using existing technology, to supercede a design stage that had to be calibrated manually with a hand-held digital level and that used ultrasonic beams which could be compromised by the smallest spider web. Zen's Green Stage accurately simulates the real-world playing conditions found on an undulating golf course and has been used by the Sky Sports Golf presenting team since The Masters in November 2020.

## Decarbonising the industrial cluster around the Humber

The AMRC and Nuclear AMRC are supporting the Zero Carbon Humber (ZCH) Partnership, in a major new £75 million project to help the Humber region achieve net zero emissions by 2040. The Humber industrial cluster is the largest emitter of carbon dioxide in the UK. The partnership comprises Associated British Ports, British Steel, Centrica Storage, Drax Group, Equinor, Mitsubishi Power, National Grid Ventures, px Group, SSE Thermal, Saltend Cogeneration Company, Uniper, alongside the AMRC. Its initial focus is H2H Saltend, one of the world's first full-scale low-carbon hydrogen production plants, to support the construction of a pipeline network connecting to industrial sites and gas and biomass power stations throughout the Humber, enabling them to capture their carbon dioxide emissions and switch to low-carbon hydrogen power.

# Education

Our diverse academic community has provided us with forward-thinking students and teachers whose influential research is recognised and respected globally. We have a strong and distinct portfolio of programmes and bring new digital ways of working to help our students to develop the skills they need.

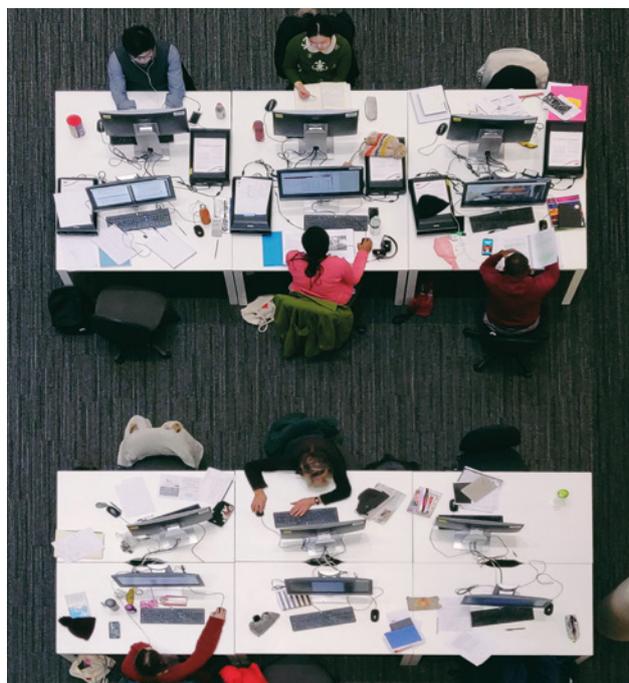
## Reputation and rankings

The University has reaffirmed its position as one of the world's leading universities for teaching and research. The Times Higher Education (THE) World University Rankings 2021 places us 14th in the UK and 121st in the world. The University is ranked 1st in the UK for bioengineering, medical and biomedical engineering and landscape design, with 17 subjects within the top 10 nationally.

We were rated second in Yorkshire and Humber, 17th in the UK and 95th in the world in the QS World University Rankings 2022.

The Guardian University Guide 2021 ranks us 31st in the UK, up 14 places from last year. The Guardian guide also ranks Sheffield among the top 10 UK universities for architecture, engineering, dentistry, journalism and urban studies.

The Students' Union also scored highly, with a satisfaction rate 16 per cent above the sector average for effectively representing students' academic interests.



## Student voice

Despite the challenge of the Covid-19 pandemic, the overall satisfaction of Sheffield students was at 80 per cent - four per cent above the national sector-wide average and 5th in the Russell Group, according to the 2020–21 National Student Survey (NSS).

The use of surveys is one of the key ways we can engage the student voice and so understand the impact of the design and delivery of our courses. We have developed *Tell US*, a central platform for gathering feedback about the student experience. This pan-institutional approach has led to better, more consistent data around the student experience and allows us to compare and draw best practice examples across disciplines and programmes.

## Staff development through Elevate

*Elevate* continues to provide a comprehensive range of support for learning and teaching across the institution, offering retreats, facilitating curriculum development, designing and running workshops and events for sharing best practice, and online resources. *Elevate* incorporates existing activities such as staff development for digital learning and Higher Education Academy accreditation. The excellent work of colleagues in learning and teaching has been widely recognised, with 259 members of staff gaining fellowship of the Higher Education Academy during the 2020–21 reporting period.

## Decolonising the curriculum

Inclusivity remained a key educational priority in the 2020–21 academic year and we are continuing to work with students and staff on "decolonising the curriculum", through engaging in crucial conversations to understand what decolonisation means for education across all disciplines. We are developing materials to inform teaching staff and have adopted a University-wide definition of decolonisation. This is a vital piece of work that has been led by students nationally to embed an inclusive culture at universities.

## Digital learning

Digital education is identified as a key development priority in our strategic plan and, when the pandemic struck, online learning became the primary way we operated during the academic year. While we have returned to in-person teaching in this new academic year, we have reflected widely and deeply to ensure we carry forward the best practice and creative approaches that have been developed and implemented by our staff and students.

Digital learning tools have provided an essential backbone to our online pedagogy: as one example, our Kaltura video hosting platform was used by staff to enhance or replace conventional lectures and, in semester one alone, colleagues added over 28,000 videos, which is more than in all of 2018 and 2019 combined – and students watched 17.3 million minutes of content, which equates to more than 15 and a half years.

It became clear very early in the pandemic that the realities of digital poverty were being amplified by the lockdown restrictions and so students who were at risk of digital exclusion were supported financially. In our education strategy we have set ourselves the challenge to examine how our courses, our campus and our online offering can be designed to inherently help our students overcome digital poverty.

## Employability

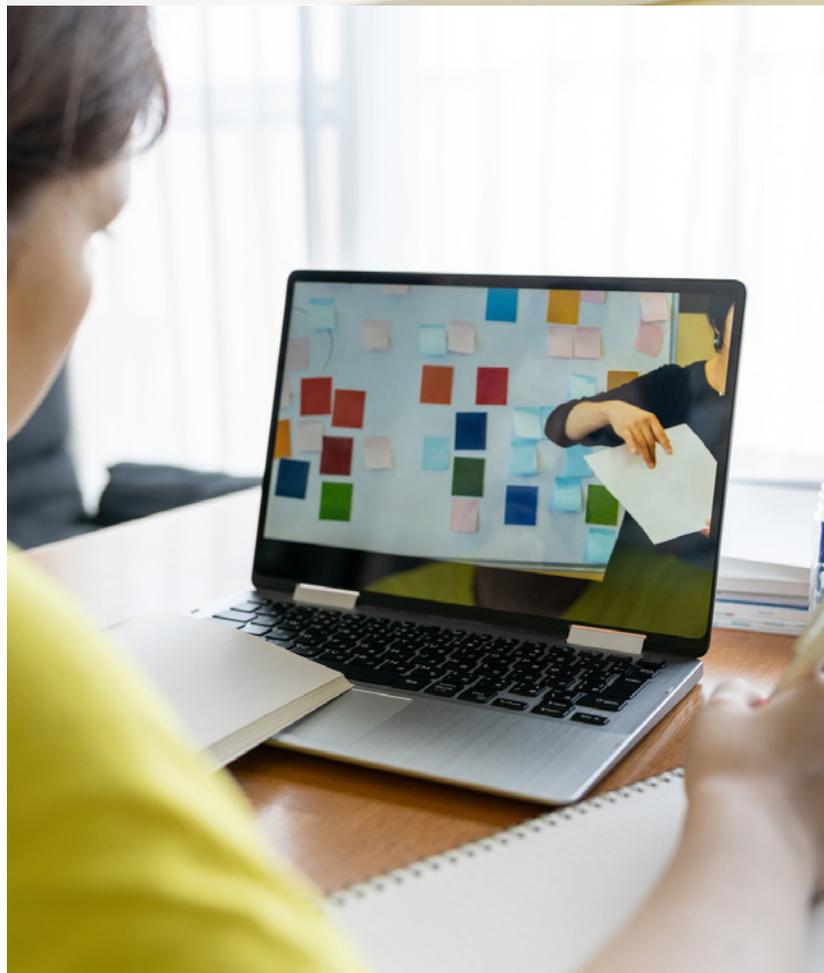
We continue to support students on their career pathways and ensure they get the skills required to thrive.

The University's Graduate Attributes framework has been updated to reflect the range of attributes that are sought by graduate employers, and that students might acquire and develop to enhance their employability. The new mySkills portfolio tool was launched early in the year, providing students with an innovative way to assess, record, build and reflect on their skills profile and personal development.

An annual Career Confidence Survey is now part of students' online registration, which is providing longitudinal data on levels of career confidence and work experience, and allows targeted activity and support to be provided where required.

In response to the impact of the pandemic on the graduate labour market, we delivered a high-quality and engaging range of activities, events and resources for our Graduands as part of an extended Class of 2021 Summer Programme. This included a successful on-campus internship scheme with more than 70 paid work experience opportunities.

We continue to strengthen our employability offer to be sector-leading. We will be launching a new alumni:student mentoring platform, further enhancing understanding and use of the Graduate Attributes framework and the mySkills portfolio tool within academic programmes, and expanding options for student participation in placements and other work experiences.



# Student numbers

## Student recruitment

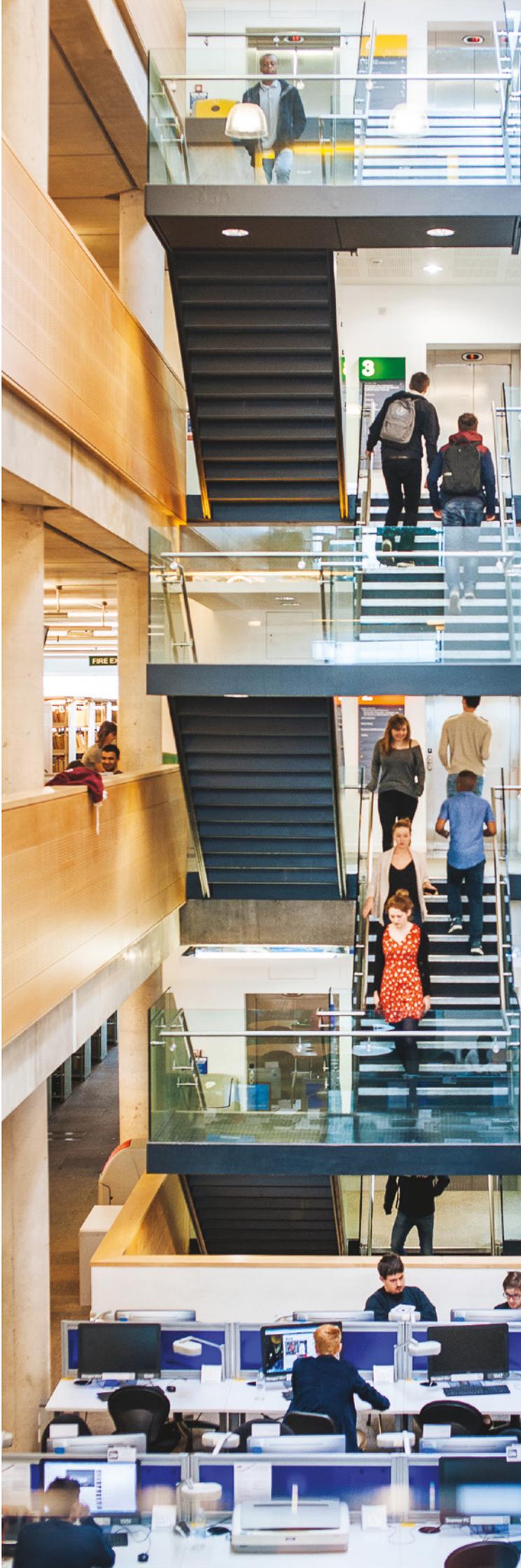
### Home students

Despite the uncertainty brought by the pandemic, the University had a successful student recruitment year in 2020–21. Home undergraduate recruitment numbers saw an upturn, with levels of recruitment from state school and low participation areas stable, and student grade profiles remaining similar to the previous year. We also saw an increase in new intake of home postgraduate students.



### International students

We continue to attract some of the world’s brightest students to our University. The additional support put in place to help our international students – from adapting in-person activities and events into virtual forums, expanding digital content and opportunities, allowing remote attendance for students unable to travel to the UK, to working with a group of UK universities to charter flights from China to Sheffield - resulted in our highest number of new enrolments of international undergraduate students in recent years and only a slight decrease in our international intake overall compared to the record year we had in 2019–20. The new cohort also came from a wider set of countries, bringing greater diversity to our community.



### Full-time students

	Undergraduate			Postgraduate			Total
	Home/EC	Overseas	Sub total	Home/EC	Overseas	Sub total	
Faculty of Arts and Humanities	1,993.0	119.0	2,112.0	385.0	619.0	1,004.0	3,116.0
Faculty of Engineering	3,343.0	1,317.0	4,660.0	521.0	1,159.0	1,680.0	6,340.0
Faculty of Medicine, Dentistry and Health	2,494.0	141.0	2,635.0	489.0	288.0	777.0	3,412.0
Faculty of Science	2,749.0	364.5	3,113.5	803.0	311.0	1,114.0	4,227.5
Faculty of Social Sciences	4,147.0	1,731.5	5,878.5	1,026.0	3,276.0	4,302.0	10,180.5
Advanced Manufacturing Research Centre	96.0	–	96.0	–	1.0	1.0	97.0
Department for Lifelong Learning	164.0	–	164.0	–	–	–	164.0
<b>Grand total</b>	<b>14,986.0</b>	<b>3,673.0</b>	<b>18,659.0</b>	<b>3,224.0</b>	<b>5,654.0</b>	<b>8,878.0</b>	<b>27,537.0</b>

### Part-time students

	Undergraduate			Postgraduate			Total
	Home/EC	Overseas	Sub total	Home/EC	Overseas	Sub total	
Faculty of Arts and Humanities	22.0	2.0	24.0	184.0	12.0	196.0	220.0
Faculty of Engineering	21.0	15.0	36.0	49.0	13.0	62.0	98.0
Faculty of Medicine, Dentistry and Health	55.0	5.0	60.0	604.0	92.0	696.0	756.0
Faculty of Science	26.0	6.5	32.5	82.0	3.0	85.0	117.5
Faculty of Social Sciences	28.0	11.5	39.5	769.0	57.0	826.0	865.5
Advanced Manufacturing Research Centre	31.0	–	31.0	–	–	–	31.0
Department for Lifelong Learning	13.0	–	13.0	–	–	–	13.0
<b>Grand total</b>	<b>196.0</b>	<b>40.0</b>	<b>236.0</b>	<b>1,688.0</b>	<b>177.0</b>	<b>1,865.0</b>	<b>2,101.0</b>

### Additional students

Students on year abroad including Erasmus	166.0
Students on work/industrial placements	318.0
<b>Total</b>	<b>484.0</b>

### First degree award classifications

	1	2.1	2.2	3	Pass	Total
Faculty of Arts and Humanities	218	456	24	1	–	699
Faculty of Engineering	599	450	95	7	19	1,170
Faculty of Medicine, Dentistry and Health *MB ChB & BDS do not follow the same class structure	96	75	22	2	273	468
Faculty of Science	350	466	101	5	8	930
Faculty of Social Sciences	486	877	158	4	45	1,570
<b>Grand total</b>	<b>1,749</b>	<b>2,324</b>	<b>400</b>	<b>19</b>	<b>345</b>	<b>4,837</b>

### Certificates and Diploma awards

	Diploma	Cert	Total
Faculty of Medicine, Dentistry and Health	1	5	6
Faculty of Science	–	11	11
<b>Grand total</b>	<b>1</b>	<b>16</b>	<b>17</b>

# Infrastructure and digital

## Our infrastructure

While there have been fewer people using campus during the Covid-19 pandemic, it has continued to be safe and accessible, supporting the University's excellence in research, innovation and education.

Ensuring that progress in our world-leading research institutes has not been held up, a number of key construction projects have been completed.

The [Sheffield PET-MRI facility](#), attached to the city's Royal Hallamshire Hospital and serving patients across the region, has brought the future of medical imaging to Sheffield. Researchers and clinicians using the facility, including those from the Neuroscience Institute, are helping to transform our understanding of serious diseases, such as Alzheimer's disease, Motor Neurone Disease and cancer, and the way we treat them in the future.

A second flagship, the Energy Institute, has also moved its experts into the Translational Energy Research Centre at the University of Sheffield Innovation District, one of the largest research and development facilities in Europe for zero-carbon energy, bioenergy, and carbon capture, utilisation and storage.

Throughout the last 18 months, we have transformed our campus according to changing Covid-19 guidance, so that essential academic activity could continue. From ongoing maintenance to providing huge cleaning and security provision, and reassurances around water quality and ventilation, it was critical that staff and students felt safe when using our buildings.

With Covid-19 case numbers growing in November 2020, the University wanted to protect and give more reassurance to its staff, students and local community. We transformed the Octagon into a Covid-19 testing centre for those working and studying on campus to access lateral flow tests. This was later converted again into a vaccine centre, serving the wider Sheffield City Region and making a sustained contribution to public health.

With sustainability always at front of mind, a number of great strides have been made. In 2020, following the student-backed campaign, the University switched to new electricity contracts, sourced entirely from solar, wind and hydro generation. This means that 100 per cent of the purchased electricity used across the University comes from renewable sources. We have also made substantial improvements to our waste management, and kept our green campus healthy and beautiful. A tree management strategy, published in early 2020, ensures a consistent and positive approach to managing our 10,000+ specimens which are enjoyed by the whole city.

Sustainability is being considered at every stage of the building process as well, in part thanks to the development of a Sustainable Building Standard. The new Faculty of Social Sciences building, due to complete in 2022, uses ground source heat pumps to maximise the opportunity created by thermal warmth, and provide cooling in the summer. The Engineering Heartspace transformation, which links the Grade II listed Sir Frederick Mappin Building with the 1885 Central Wing with a spectacular curved glass roof and atrium, has improved the thermal performance of the listed buildings.

Our development continues with the Advanced Manufacturing Group, who we work with to accommodate their research, innovation and training links with advanced manufacturing companies around the globe. These specialist facilities provide incredible opportunities for our scholars, students and the wider region, and are now expanding to other parts of the UK with AMRC Cymru, and AMRC North West in Lancashire, which is nearing completion.

## Investment in digital technology

The University's digital capability is critical to the delivery of our academic vision to provide world-class teaching and research facilities and services for our staff and students.

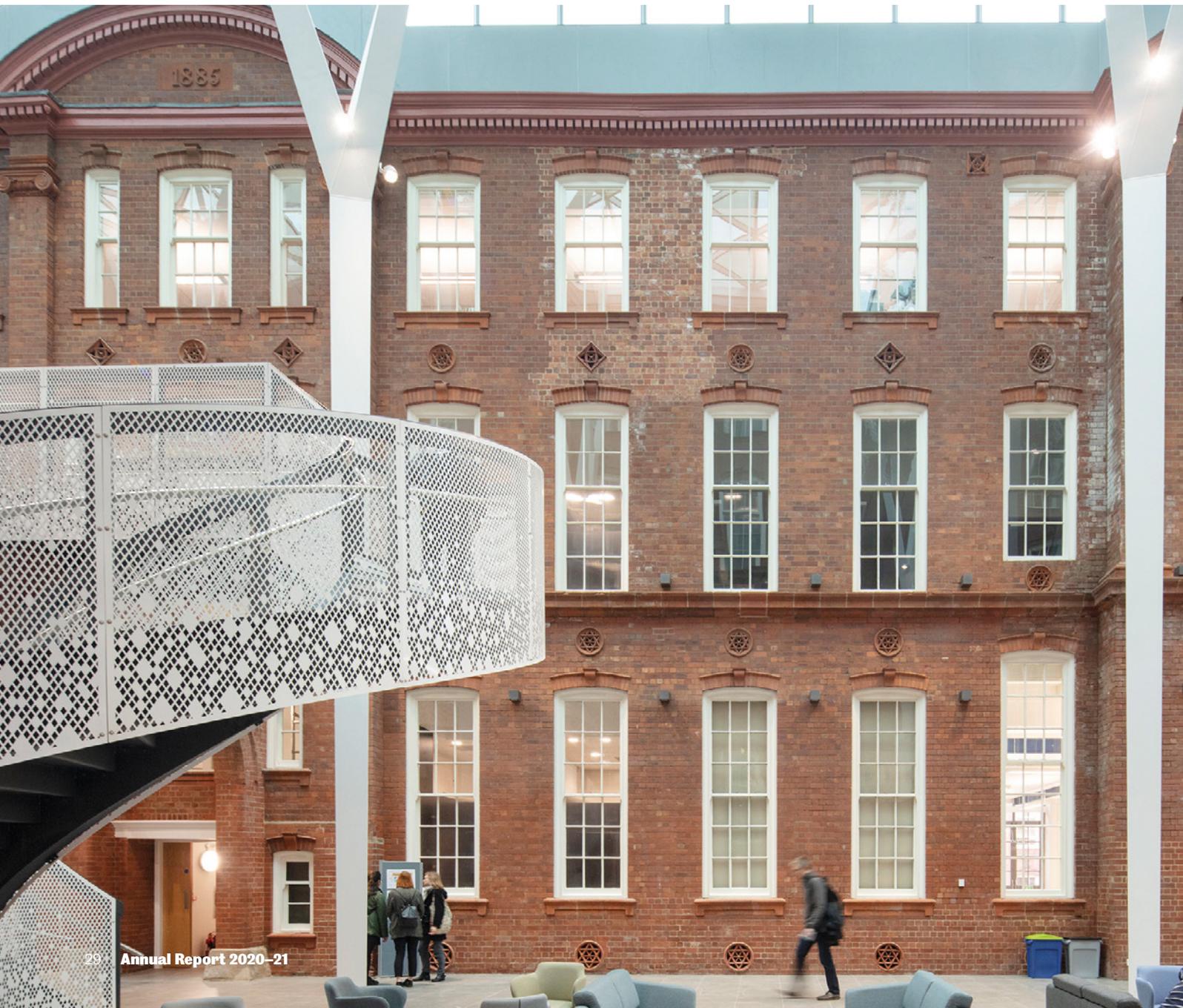
Central to the development of this capability is our technology-enabled strategic framework which aligns transformational change of technology, products, services and systems with University strategy. This is backed by an investment level of £15 million to £18 million each year for the next three financial years.

Design before the pandemic, this approach has already enabled a flexible and effective response to Covid-19 for the last 20 months, allowing staff and students to easily move to a remote pattern of working; a successful year of remote teaching has prepared us for a more hybrid model of working and education in the coming year.

Our focus is now on developing this digital capability in a sustainable way by ensuring excellence in service delivery, delivering transformative change through technology, reducing the risks in our systems, and investing in our people. Cyber security and the security of information and systems remains a key overarching priority.

In support of the University's academic mission, we will be enabling personalised, accessible and inclusive digital teaching, learning and assessment, as well as making significant investment in facilities to support computational research and the secure analysis of sensitive data.

During the last year our Research IT team provided technology and support for the scientists sequencing over 1,000 Covid-19 genomes to aid the pandemic response. The University is part of the Covid-19 Genomics UK (COG-UK) Consortium which is backed by £20 million of government funding to map how Covid-19 spreads, behaves and mutates. We provided the infrastructure and high-performance computing capabilities which enable the project's required analysis of the genetic code of coronavirus samples. The new investment in research IT will significantly increase our ability to contribute to further opportunities like this in future.



# Corporate governance

The following statement is intended to provide an understanding of the governance and legal structure of the University of Sheffield. The University is an independent corporation whose legal status derives from a Royal Charter granted in 1905. It is an educational charity, with exempt status, regulated by the Office for Students (OfS) in its capacity as Principal Regulator. The University has charitable purposes and applies them for the public benefit (see page 39). It must comply with the general law of charity. The University's charity number is X1089. The University's objectives, powers and governance framework are set out in its Charter and supporting Statutes and Regulations.

This statement relates to the year ended 31 July 2021.

The University of Sheffield has a public interest duty to conduct its affairs in a transparent and responsible way, in accordance with the Nolan principles, to meet the regulatory requirements of relevant statutory bodies, in particular the ongoing conditions of registration with the Office for Students, and complies with the Office for Students' Public Interest Governance Principles and the Higher Education Code of Governance published by the Committee of University Chairs (CUC). The University's governing body, the Council, has this year reviewed its operation against the OfS Regulatory Framework and the revised CUC Higher Education Governance Code, and considered the findings of the latest Council effectiveness review, which reported in 2020–21, and has confirmed compliance and identified a number of areas of good practice. Council has not identified any areas in which it needs to explain any non-compliance with the CUC Code and the findings of the Council Effectiveness Review support this conclusion. The Council will continue to undertake a review of effectiveness in accordance with the Code, every three years.

The University makes the confirmed Minutes of each Council meeting publicly available via its website, together with all supporting papers that are not confidential or otherwise contain sensitive material. Council approves the list of papers to be published as a standing agenda item at each meeting. A report on the proceedings of Council is provided to each meeting of the Senate, together with reports of certain Council committees. The confirmed minutes of the University Executive Board and the Senate are also published online, with confidential or sensitive items redacted.

## Leadership

The President and Vice-Chancellor is the University's Chief Executive Officer, and principal academic officer. The President and Vice-Chancellor is also the designated Accountable Officer with the Office for Students, for purposes of the Higher Education and Research Act 2017.

Under powers delegated by the Council, the President and Vice-Chancellor exercises a key role in terms of the development of institutional strategy, the identification and planning of new developments and the shaping of institutional ethos. The President and Vice-Chancellor

is a member of the Council and Chair of the Senate. A University Executive Board, comprising senior academic and professional services members, is appointed by and acts in an advisory capacity to the President and Vice-Chancellor. Ultimate responsibility for the management of the University and the conduct of its business rests with the Council.

## Governance

### The Council

The University's Council is the governing body of the University and its board of charitable trustees, responsible for the strategic development and overall achievement of the University's mission and purposes. Subject to the delegation of powers under University Regulations, including those delegated to the Senate, it has ultimate responsibility for all areas of operation.

The Council's membership, listed on page 33, comprises lay and professional and academic persons, including the President of the Students' Union, appointed under the Statutes of the University, the majority of whom are non-executive and have time-limited terms of office. Members of the governing body provide a register of interests and a declaration that they are fit and proper persons, as defined by the OfS.

The role of the Chair of the Council is separate from that of the University's Chief Executive, the President and Vice-Chancellor. The performance of the President and Vice-Chancellor is monitored through the provisions of Section 6 of the Statutes and Regulation II:5.11 and through the existence and application of the Staff Review and Development Scheme, carried out by the Chair of the Council.

The appointment of the University Secretary with appropriate separation in the lines of accountability is through the provisions of Regulation VI:8. The University Secretary is appointed by and responsible to the Council for the operation and conduct of the University's overall governance structures, ensuring the University acts in accordance with its governance documents, that effective processes are in place to provide assurance and to ensure legal and regulatory compliance. The University Secretary is the Secretary to the Council and the Senate and reports to the Chair of the Council and to the President and Vice-Chancellor, who is Chair of the Senate.

The powers and functions of Council are set out in Regulation II:4-5. The matters specially reserved to the Council for decision are set out in Regulation II:6. Among the powers the Council holds to itself are those relating to appointing the President and Vice-Chancellor, the approval of the University's strategic plan and the approval of financial forecasts, annual budgets, approving the annual audited accounts and appointing the University's auditors. The public interest governance principles are reflected in the provisions of the Regulations of Council. Council delegates its powers to other bodies and individuals as appropriate and in accordance with the Scheme of Delegation set out in Regulation III, which is reviewed annually.

In addition to the Nominations Committee, which is a formally constituted committee of the Council, much of the work of the Council is carried out through the following principal committees, all of which have terms of reference approved by Council and which report formally to Council:

- The Audit Committee is constituted in line with guidance issued by the Committee of University Chairs and comprises both lay members of the University Council and external co-optees with special expertise. Whilst senior executives attend meetings of the Audit Committee, they are not members of it. Both the external and internal auditors have independent access to the Committee, and vice versa. The Audit Committee is responsible for making recommendations to the governing body on the appointment of both the internal and external auditors to the University. The Committee meets with the external auditors to discuss their audit findings, and to review and approve the audit aspects of the annual financial statements; and it provides the governing body with its own opinions. It also guides and approves the annual audit plan prepared by the University's internal auditors, and considers completed audit reports dealing with recommendations for the improvement of the University's systems of internal control. The Committee also reviews management responses to audit reports and monitors implementation of recommendations. The Committee receives and considers reports from external funding and regulatory bodies as they affect the University's business and monitors adherence to the regulatory requirements. The Committee's role in relation to risk oversight and assurance is outlined below.
- The Finance Committee is the body responsible for advising the Council on all matters relating to the finances of the University, including ensuring there are adequate and effective arrangements in place to ensure regularity and propriety in the use of public and other funding and to provide transparency about value for money. The committee recommends to the Council the University's Financial Statements for approval, annual revenue and capital budgets, monitors performance in relation to the approved budgets and monitors the execution of financial policies adopted by the Council.
- The Estates Committee acts as an expert advisory panel to the Council on estates matters in support of the Council's responsibility for the stewardship and the effective and efficient development of the University estate, and specifically to monitor the implementation of the University's Estate Strategy. The Committee reviews and appraises the overall capital programme in line with the Campus Master Plan and scrutinises strategic development of the estate in terms of acquisitions and disposals. The Committee considers the implications of changing legislation, planning and governance requirements and monitors relevant statistics.
- The Senior Remuneration Committee is responsible for overseeing the appointments of executive and other senior members of staff, balancing the needs of the University in a competitive environment with the appropriate use of funds. The Committee operates in accordance with the CUC Higher Education Code of Governance and its operation has been reviewed to ensure compliance with the CUC's Remuneration Code and related Office for Students requirements in relation to senior pay.

- The Equality, Diversity and Inclusion Committee develops strategy, monitors equality and diversity matters in the University, evaluates actions and progress and provides support and guidance in relation to the University's equality and diversity policies and action plans.

### The Senate

- The Senate is the academic authority of the University, whose role is to oversee the teaching and research of the University, responsible for academic quality and standards and for the admission and regulation of students on behalf of the Council. Chaired by the President and Vice-Chancellor, its membership is drawn mainly from the academic staff of the University and also includes student representatives. The Senate reports to Council and is required to provide assurance to Council that academic governance is effective. Senate has an Academic Assurance Committee, which tests the arrangements Senate has in place to ensure quality and standards, and Senate makes an annual report and presentation to Council, to permit testing of the assurances it receives.

### Full statement of internal control

1. As the governing body of the University of Sheffield, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the Charter, Statutes and Regulations and the public interest governance principles set out in the regulatory framework for Higher Education in England.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives or to comply with legal, statutory or regulatory obligations; it can therefore only provide reasonable and not absolute assurance of effectiveness.
3. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2021 and up to the date of the approval of the annual report and financial statements. The process is regularly reviewed by the Council and accords with the relevant Financial Reporting Council guidance. The University has formally applied the CUC Higher Education Code of Governance which is principally committed to identifying the key values and practices on which the effective governance of UK HE providers is based. The University manages risks through a Corporate Risk Register, which is reviewed regularly throughout the year by a UEB Risk Review Group and is considered by Council and its Audit Committee. There are also Faculty and Professional Services Risk Registers, and Departmental Risk Registers for both academic and professional service departments. The University also maintains a register which sets out its ongoing registration conditions with the Office for Students and this is used to ensure and monitor compliance. A separate register exists to monitor compliance with the full range of other legal and regulatory requirements to which the University is subject. The Risk Review Group (a subgroup of the University Executive Board) oversees these different levels of risk.

The University's risk management policy is reviewed annually by the Risk Review Group and by Council.

4. The following processes have been established:

- a. The performance, plans and strategic direction of the institution are specifically considered at one of the regular meetings of the Council each year.
- b. The University Council agrees and annually reviews performance, linked to strategic objectives in the University vision, and has oversight of the outcomes achieved, direction of travel and distance from ambition, as set out in the vision and related Strategic Delivery Plans.
- c. The Council undertakes an annual assessment for the purpose of making its public statement on internal controls. This assessment considers issues dealt with in the periodic reports received.
- d. The Council receives periodic reports from the Chair of the Audit Committee concerning internal control and risk management, including in relation to University subsidiary companies.
- e. The Council oversees the management of strategic risks and receives regular reports from Audit Committee and the Risk Review Group.
- f. The Audit Committee receives regular reports from Internal Audit, which include Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement. The Audit Committee may also request additional reports to gain assurance from other parties on areas of concern. A Data Assurance Group supports Audit Committee in its evaluation of the management and quality assurance of the external reporting of data to statutory and regulatory bodies.
- g. A risk prioritisation methodology based on risk ranking has been established.
- h. An organisation-wide risk register is maintained for corporate level risks, including the ability of the University to continue to comply with all of its conditions of registration with the Office for Students.
- i. A reporting structure has been implemented whereby high-level strategic opportunities and risks are overseen by the Risk Review Group and reported to the Audit Committee and Council. The University Executive Board receives reports on the action taken on all corporate-level risks, along with suggestions for additions to and deletions from the risk register.
- j. Council has approved a Code of Ethics and receives an annual report on its operation following a review conducted on its behalf by the University Secretary. The Research Ethics Committee of Senate provides specific assurance to Senate over ethical matters associated with research activities.
- k. The University commissioned a review of Council effectiveness during 2019–20, which reported in 2020–21, using an external third party law firm to advise and report. These reviews will be carried out at three-year intervals as required by the CUC Higher Education Code of Governance. Annual reviews based on feedback from Council members are also undertaken.
- l. The responsibility of Council to maintain and protect the principle of academic freedom is enshrined in the University Charter and appropriate references made during the induction of new members of Council.

m. Sub-committees of the Senate Learning and Teaching Committee oversee the totality of the University's collaborative provision, reporting major developments or significant institutional risks through to Council as appropriate.

n. The University keeps under regular review the policies, procedures and powers delegated by the Council to other bodies and individuals, including the President and Vice-Chancellor.

o. The Secretary to Council is responsible for ensuring that the University's constitution is followed at all times, taking advice where appropriate.

5. The institution has contracted its internal audit function to an external provider. The provider's supervising partner for the assignment functions as the institution's Head of Internal Audit. The internal auditors submit regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement.
6. Our review of the effectiveness of the system of internal control is informed by the work of Internal Audit and by senior officers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by the comments made by the external auditors in their management letter and other reports.
7. In considering reports from the Internal Auditor, the Audit Committee receives assurance that satisfactory management actions plans have been agreed and are being implemented. The Committee regularly monitors progress against these plans. Audit Committee has welcomed the University's approach to internal audit in terms of directing activity at areas where there are known or suspected performance issues in order to improve the internal control environment, including delivering value for money. The Internal Auditors take account of value for money (VfM) issues as part of their routine system-based auditing, with any relevant issues being examined and reported. Internal audit reports explicitly address, and report on, VfM. No internal control issues have been identified that would require inclusion in the Statement of Corporate Governance and a number of areas of good practice have been identified in the Internal Auditor's annual report. The University encourages managers to treat internal audit as a management tool that should be used positively.
8. The Audit Committee considers the findings of the External Auditor and endorses the annual External Audit Strategy, which identifies key financial and control risks in order to provide assurance and inform improvements in the control environment and delivery of value for money. The Committee regularly monitors progress made against recommendations arising from the External Auditors' audit highlights memoranda and is assured about the high evidential standard to which actions owners are held in order to formally close a recommendation. The External Auditors findings are prioritised to enable the University to focus on issues that represent more significant risks or will deliver the most significant improvements.

# How the University is managed

## Officers of the University Session 2020–21

### The Chancellor

The Rt Hon Dame Anne Rafferty, DBE

### The Pro-Chancellors

A P Pedder OBE (Chair of Council)

A M Hope

R Mayson

### The Treasurer

J T Sutcliffe

### The President and Vice-Chancellor

Professor K Lamberts

### The Provost and Deputy Vice-Chancellor

Professor G Valentine

### The Cross Cutting Vice-Presidents

Research: Professor S Hartley (OBE)

Innovation: Professor D N Petley

Education: Professor M T Vincent

### The Faculty Vice-Presidents

Arts and Humanities: Professor S Fitzmaurice

Engineering: Professor M J Hounslow

Medicine, Dentistry and Health: Professor C Newman

Science: Professor J Derrick

Social Sciences: Professor C A Watkins

### University Secretary

Dr T Strike

## The Council of the University Session 2020–21

### Ex-officio members

The Pro-Chancellors

The Treasurer

The President and Vice-Chancellor

### Persons appointed by the Council

D J Bagley, A Belton, C Brownlie, Professor K Layden,

Dr J Nicholls, P Rodrigo (from 1 January 2021), S Sly,

A P W Wray

### Not fewer than two and not more than three Senior Academic Officers appointed annually by the Chair of Council in consultation with the President and Vice-Chancellor

Professor G Valentine

Professor S Hartley

### Three members of the Senate elected by the Senate

Professor J Brazier, Dr D Forrest, Professor J Kirby

## The President of the Students' Union

B Eyre (to 30 June 2021), E Croxford (from 1 July 2020)

### One person who is not a member of the academic or academic-related staff

G Hague

### Secretary to the Council

Dr T Strike

## Faculties and departments

### Arts and Humanities

Archaeology, Digital Humanities Institute, East Asian Studies, English, History, Languages and Cultures, Modern Languages Teaching Centre, Music, Philosophy

### Engineering

Automatic Control and Systems Engineering, Chemical and Biological Engineering, Civil and Structural Engineering, Computer Science, Electronic and Electrical Engineering, Materials Science and Engineering, Mechanical Engineering

### Medicine, Dentistry and Health

Clinical Dentistry, Health and Related Research, Health Sciences, Infection, Immunity and Cardiovascular Disease, Medical School, Neuroscience, Oncology and Metabolism

### Science

Chemistry, Mathematics and Statistics, School of Bioscience, Physics and Astronomy, Psychology

### Social Sciences

Architecture, Economics, Education, Geography, Information School, Journalism Studies, Landscape Architecture, Law, Management, Politics and International Relations, Sheffield Methods Institute, Sociological Studies, Urban Studies and Planning

## International Faculty – City College, Thessaloniki

### Extra faculty

Advanced Manufacturing Group  
Lifelong Learning

# Risks and material issues

Council is responsible for ensuring that a robust system exists for identifying, evaluating and managing risk within the institution, and that this process is subject to regular review.

### University appetite for risk

The University takes a balanced approach to risk across the full range of its activities. The University has a low risk appetite for mission-critical risks, however, the risk appetite of individual faculties and Professional Services may vary. A low institutional appetite for risk provides context and support for a less risk-averse approach by the faculties and this variation in risk appetite is both positive and beneficial for the institution. Where the University seeks strategic advantage, initiative or change, it will be receptive to understanding and sharing internally the inherent risks if the anticipated benefit warrants, within limits, the risks described.



### How we manage risk

The Corporate Risk Register comprises strategic-level risks linked to the achievement of the University's objectives.

The Corporate Risk Register is maintained by a Risk Review Group who assess and manage corporate risks and agree the risk owners and the agreed mitigating actions and controls. This is reported to Council's Audit Committee and to Council. The Corporate Risk Register is part of the University's control environment (see pages 30 to 32).

As part of the annual planning process, departments and faculties maintain risk registers and faculties report on their risks annually to the Risk Review Group, which in turn informs updates to the Corporate Risk Register. This helps the Risk Review Group to ensure there is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation.

The Corporate Risk Register is complemented by a Risk Management Policy (which includes Risk Management Definitions) and is approved by the Risk Review Group on an annual basis.

A separate Threat Register is maintained as part of managing and preparing the University's Business Continuity Plans. The Threat Register identifies the range of scenarios that could cause disruption at the University, with the aim of identifying where the University is vulnerable, with the next steps being to look at the mitigation in place or where further controls are needed. This is complementary to the Corporate Risk Register, which manages strategic risk. The University Secretary maintains a register, with the responsible owners, of the legal and regulatory duties placed on the University, and how compliance is reported and to whom, which is kept up to date, agreed by University Executive Board (UEB) and reported to the Audit Committee and the Council. A separate register is also maintained listing the OfS on-going conditions of registration and related regulatory requirements and how compliance is evidenced, which is reported to the Audit Committee and the Council.

Risk summary	Risk statement	Examples of controls and actions	Strategic theme(s)
<b>The external environment and our ability to influence and respond</b>	If we do not respond in a coherent and coordinated way to changes in the external environment, then the University's performance, sustainability and reputation may be adversely affected.	The University is in regular consultation with DfE, OfS, other sector organisations and local agencies  The financial forecasts include a four-year forward look and the high-level financial impact of changing policy and sensitivity analysis is modelled when they are refreshed. The financial impacts of policy changes on specific activities are highlighted in the process for budget allocation, enabling a focus on remedial action.	1. Research 2. Education 3. Innovation
<b>Ensuring statutory and regulatory compliance</b>	If we do not have accountabilities, delegated authorities and processes to seek assurances, in line with regulatory, accrediting or designated body requirements (OfS, OIC, HSE, UKVI, QAA etc), or fail to meet legislative requirements, or fail to comply with our charitable duties, instruments of governance (such as statutes, ordinances and articles) or the requirements falling in respect of public funding by funding bodies, there may fines or sanctions, or a detrimental impact on the University's autonomy, powers, reputation, and financial stability.	The University Secretary maintains a register of legal and regulatory duties, which is kept up to date, agreed by UEB, and reported to the Audit Committee and the Council.  Council received an Effectiveness Review Report at its meeting in October, and a subsequent action plan based on the recommendations.	1. Research 2. Education 3. Innovation
<b>Ensuring high-quality research</b>	If an appropriate level of high-quality research output (equating to 4* in REF) is not achieved, based on a diverse range of research grant funding, and underpinned by a demonstrably healthy research culture, then there may be adverse impacts on the University's reputation and financial stability.	A review of REF2021 will inform any changes to ongoing research management.  The four Flagship Institutes have undertaken their first annual evaluation and a report made to UEB.	1. Research
<b>Developing and maintaining our research portfolio</b>	Alongside newer UK research funding streams which require an interdisciplinary, collaborative approach, there are new opportunities arising from the UK government's innovation and productivity agendas, which offer the opportunity to work with partners, grow research income and demonstrate academic, economic and social impact.	The University Flagships are a primary exemplar and focus for interdisciplinary working.  The Vice President Innovation represents the Advanced Manufacturing Group on UEB.	1. Research 3. Innovation
<b>Ensuring a high-quality education</b>	If we do not maintain a range of high-quality education, then there may be detrimental impacts on student recruitment, the University's reputation and financial stability.	Clear principles around blended learning and delivery are in place.  There is an institutional-wide recruitment strategy designed to make recruitment more effective, efficient and focussed on high-quality students, whatever their background, and respond to risks and opportunities.	2. Education
<b>Developing and maintaining strategic partnerships and commercial opportunities</b>	If we develop a critical mass of selected partnerships which are closely aligned to strategic objectives, then this would enable the University to build revenue streams and enhance its reputation.	A close relationship is maintained with key international partners. Key international partnerships are overseen by an international strategy group.	3. Innovation

Risk summary	Risk statement	Examples of controls and actions	Strategic theme(s)
<b>Ensuring a high-quality student experience</b>	If we do not ensure a high-quality student experience, then there may be detrimental impacts on student satisfaction, the University's reputation and financial stability.	Digital access is a priority in the blended learning environment with remote access to specialist software, hardship grants and broadband provision in place but a likelihood of growing demand.  The University has a well-developed and largely effective strategic and operational approach to supporting students' mental health, which now includes student wellbeing services as a preventative approach in each faculty.	2. Education
<b>Financial sustainability</b>	If the University does not secure income growth in excess of its growth in costs and which is balanced across the institution, then there may be adverse impacts on the University's operating model, capacity, academic excellence, reputation and financial sustainability.	Regular monthly and quarterly financial reporting enables close monitoring of changes in expenditure commitments, including the forecasting and sensitivity analysis to such changes.  Cash forecasts are updated regularly, particularly in light of Covid-19, to ensure that the University remains cash resilient in the long term.	1. Research 2. Education 3. Innovation 4. One University
<b>Maintaining fit-for-purpose infrastructure</b>	If adequate research and teaching infrastructure is not developed and implemented, then our ability to operate a sustainable academic strategy and business model may be undermined.	The condition and quality of facilities is monitored and investment plans are reviewed by Estates Capital Sub-Group (ECSG).  The Planning Round facilitates links between strategic aims, faculty aspiration, academic activity and Professional Services support. Business planning for new developments is embedded in planning to enable strategic oversight.	1. Research 2. Education
<b>Ensuring fit-for-purpose systems</b>	If high-quality and fit-for-purpose processes and information systems are not provided and maintained, then our ability to deliver a high-quality student experience, digital learning and excellence in research may be adversely affected.	Robust policies and procedures are in place to support integration and protection of systems.  External hosting of some essential services is undertaken to improve resilience of services.	1. Research 2. Education
<b>Maintaining cyber and information security</b>	If sufficient cyber and information security governance and practice is not maintained, then there might be detrimental impacts on the University's reputation and financial stability.	The University has invested significantly in reducing information security and cyber risk, through a Cyber Security Programme. Multi-factor authentication was in place for 23,000 accounts at the end of April 2021.	1. Research 2. Education
<b>Managing the impact of a Covid-19 outbreak</b>	If we do not manage effectively the impact of the Covid-19 outbreak then we will not offer suitable support to our students and staff, which will affect our reputation and future recruitment, and if we do not manage the financial impact of the virus then this will impact our financial sustainability.	A Covid-19 Management Group was established. Lessons learned and resilience exercises have been undertaken throughout the year and protocols have been agreed and put in place in respect of health and safety.  Sheffield was one of two institutional members of universities to be invited to the UK's (UUK) national co-ordinating group, to share good practice and guidance and liaise with government, Public Health England and the British Council.	1. Research 2. Education 3. Innovation

Risk summary	Risk statement	Examples of controls and actions	Strategic theme(s)
<b>Supporting environmental sustainability</b>	If the estate is not sustainable, and if we do not reduce the University's carbon footprint, then our ability to meet the Government's Carbon Reduction Commitment (Climate Change Act 2008) may be hampered.	The University's Sustainability Strategy includes a commitment to a net-zero campus by 2030 and net-zero across all activities by 2038. A plan is being developed to ensure that this is delivered  The process for budget allocation includes space drivers to encourage effective space utilisation.	4. One University
<b>Preparing for/responding to industrial action</b>	If we do not prepare for and respond to national or local-level industrial action, then there may be negative consequences for the University's ability to operate, its reputation and levels of student satisfaction.	Nationally the University is working closely with UCEA and UUK and other Russell Group Universities to seek to avoid/minimise any future disruption to students and to University activity.  Regular consultation is undertaken with Trade Unions at JUCC to maintain constructive relationships as a result of any changes in pensions benefits and legislation and/or organisational change.	4. One University
<b>Developing a diverse staff base</b>	If the positive action we are taking to develop the diversity of our staff base is successful then this could positively impact on staff recruitment and retention, student recruitment and decision making.	A University steering group has been convened to oversee the implementation of the Race Equality Strategy and Action Plan (RESAP).  Roll out an updated Equality, Diversity and Inclusion training for staff.	4. One University
<b>Facilitating a high performance culture</b>	If we implement the full range of HR policies and processes effectively then we will optimise a high performance culture.	The Academic Career Pathways (ACP) framework better defines the University's expectations of employees on research, teaching, and teaching and research contracts at each career stage.  Sheffield Leader has been enhanced with development of an integrated leadership and management approach to focus on key roles, strategically important teams and succession planning.	4. One University
<b>Develop and embed a working environment which supports and improves staff wellbeing and resilience.</b>	If the action we are taking to develop a working environment which supports staff wellbeing is successful then this could positively impact on staff recruitment and retention, performance and satisfaction.	An Institutional Equality and Wellbeing Risk Assessment has been developed in response to the need to support staff wellbeing during the pandemic.  Resources and guidance for both staff and managers have been put in place in response to the key wellbeing risks arising as a consequence of the pandemic.	4. One University



# Public benefit and responsibility

The University is an independent corporation whose legal status derives from a Royal Charter granted in 1905. It holds charitable status as an exempt charity regulated by the Office for Students. Under the terms of the Royal Charter the University's objects are to advance education through teaching and research. Public benefit is integral to the University's culture.

Members of Council are the University's charitable trustees, who are listed on page 33 and include the President & Vice-Chancellor and other staff and student members. The Council and senior management have due regard to the Charity Commission's public benefit guidance in setting institutional objectives and monitoring performance towards achieving them. Members of Council do not receive any remuneration in respect of their role on Council but are eligible to claim reasonable expenses incurred in carrying out their role. Expenses payments to Members of Council are stated in the notes to the financial statements.

The Charity Commission requires there to be an identifiable benefit and that this benefit must be to the public or to a section of the public. By producing world-class graduates, undertaking research to drive innovation and address global and societal issues, and working in partnership, including with other regional anchor institutions, the University believes that sections of the public and society at large benefit from its range of activities. For our University, social and public responsibility is integral to our education, research, partnerships and place-making. All our activity is geared towards improving the world's thought, creativity, invention, and store of knowledge.



Our values arise from our conviction that the purpose of a university is to contribute to the enlargement of the parameters of global understanding.

We foster a socially engaged approach that seeks to help the society we serve, as well as supporting and growing the appetite for volunteering that exists in our staff and students. We continue to work with our Students' Union to identify and inform globally essential conversations and reforms, especially those that support a socially inclusive and open society.



We create a coordinated articulation of our research and its impact, so that all staff and students can act as proud advocates for the University. Our curricular and extracurricular activities provide staff and students with the knowledge and skills to be active global citizens.

We value open, inclusive and honest dialogue about the many conflicted choices we and the rest of the world face, and welcome our duty of public service to the society of which we are a part. We support students and staff in creating an inclusive, open society that encourages the free exchange of ideas in a mutually respectful atmosphere.

Pages 16 to 23 provide provide examples of how our work delivers public benefit in accordance with our strategic objectives and institutional values.



# Financial statements 2020–21.

# Responsibilities of the Council of the University of Sheffield

The Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' 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.

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

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the 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 group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so

The Council 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. 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 group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that

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

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

# Independent auditor's report to the Council of the University of Sheffield

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of the University of Sheffield ("the University") for the year ended 31 July 2021 which comprise the consolidated and institution statement of comprehensive income, Consolidated and institution statement of changes in reserves, Consolidated and institution statement of financial position, Consolidated statement of cash flow and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

### Basis for opinion

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

### Going concern

The Council has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and 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").

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

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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

### Fraud and breaches of laws and regulations – ability to detect

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

- Enquiring of management and the audit committee, through inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit Committee and the University Executive Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we considered there to be a risk of fraud relating to tuition fee income in regards to flexible provision (for example on line / distance learning courses) and courses that run across the year-end; research grant income; and other services rendered income that is recognised at the year end.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by the Director or Finance or the Chief Finance Officer and those posted to revenue that may be indicative of manipulation
- Assessing significant accounting estimates for bias

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.*

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education legislation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example,

the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

### **Other information**

The Council is responsible for the other information, which comprises the Strategic Plan and Report of the Treasurer and Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, 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; and
- in our opinion the information given in Strategic Plan and Report of the Treasurer and Corporate Governance Statement is consistent with the financial statements.

### **Council responsibilities**

As explained more fully in their statement set out on page 42, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

### **Report on other legal and regulatory requirements**

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

In our opinion, in all material respects:

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

### **Matters on which we are required to report by exception**

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 10 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 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 Council and in accordance with the Charter and Statutes of the institution. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

**Timothy Cutler**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 St Peter's Square,  
Manchester,  
M2 3AE

Date

# Principal accounting policies

## 1. Accounting convention

The Consolidated and University financial statements have been prepared in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS102) 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 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the OfS and the terms and conditions of the 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.

The financial statements have been prepared in accordance with the Accounts Direction issued by the OfS - (Regulatory Advice 9 – Accounts Direction – OfS 2019-41).

## 2. Basis of preparation

The Consolidated and Institution financial statements have been prepared under the historical cost convention, modified by the revaluation of some fixed assets and investments.

The Group and parent University’s activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Annual Report. The Annual Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

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

The Council has prepared cash flow forecasts for a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of Covid-19, the Group and parent 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 Covid-19 pandemic created uncertainty for the global economy and the Higher Education sector. In response to this uncertainty the University has taken actions that

will deliver a long-term sustainable financial position. In planning for the coming years, we have undertaken scenario planning and stress-testing to ensure our finances are not compromised.

Scenario planning and stress-testing has included potential increases to employer pension contributions, decreases to undergraduate tuition fees to estimate the potential impact of the Augar review, reductions to student intake numbers and the resulting accommodation vacancies, and increasing costs due to a number of potential Covid-19 related costs. Under these severe but plausible downside scenarios we remain financially sustainable, with sufficient available cash balances and compliance with all bank covenants. We have built a financial platform with relatively low levels of bank debt, healthy levels of available cash, a strong Statement of Financial Position (Balance Sheet) and plans drawn up for mitigating actions to reduce costs should they be required.

Consequently, the Council is confident that the Group and parent 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.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £0.1 million.

## 3. Exemptions under FRS102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

## 4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its main subsidiaries for the financial year to 31 July 2021. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Institution and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the reporting date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the Institution’s share is eliminated.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

Associated companies and joint ventures are accounted for using the equity method.

## 5. Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

Funds the University receives and disburses as the paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### Grant funding

Grant funding including OfS block grant, research grants from government sources, and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met.

### Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

- 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 has the power to use the capital.
- 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.

## 6. Accounting for retirement benefits

The University participates in the Universities Superannuation Scheme (USS).

The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. 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 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.

USS has a full valuation by professionally-qualified independent actuaries every three years.

The other principal pension scheme for the University's staff is the University of Sheffield Pension Scheme (USPS). The scheme is a cash balance defined benefit scheme which is externally funded. The scheme is valued every three years by professionally-qualified independent actuaries.

USPS is accounted for as a defined benefit scheme under FRS102.

A small number of staff have joined the NHS Pension Scheme (NHSPS), a multi-employer defined benefit scheme, which the University has accounted for as a defined contribution scheme. The amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period.

### **Defined contribution schemes**

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

### **Defined benefit schemes**

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

The University recognises a liability for its obligations under defined benefit schemes net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method.

Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

### **Asset-backed funding of University of Sheffield Pension Scheme**

The University has created a Scottish Limited Partnership in order to operate an asset-backed funding scheme for the University of Sheffield Pension Scheme. The wholly-owned companies within this partnership are consolidated in the Group accounts, and the University has taken advantage of an exemption allowed by Section 7 of the Partnership Regulations 2008, which provide that the partnership is exempt from audit.

### **7. 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.

### **8. Finance leases**

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **9. Service concession arrangements**

Fixed assets held under service concession arrangements are initially recognised on the Statement of Financial position at the present value of the minimum lease payments when the assets are brought into use, with a corresponding financial liability. Subsequently fixed assets are shown at valuation less accumulated depreciation.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

### **10. Operating leases**

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

### **11. Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income and Expenditure except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in Other Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

## 12. Intangible fixed assets

Major systems development projects are capitalised as intangible assets only where there is material expenditure on a clearly identifiable system which is expected to be in use for an extended period. These assets would normally be depreciated on a straight line basis over five years.

## 13. Property, plant and equipment

Fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

### Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. The University has a policy of ensuring an external revaluation takes place at regular intervals. In the intervening years between external valuations, the University carries out an internal assessment, using published information on market rentals and building cost indices, to ensure that the book values of its assets are not materially different from their fair values. Depreciation and impairment losses are subsequently charged on the revalued amount.

A valuation of academic, office, ancillary and support buildings was carried out as at 31 July 2021 by Gerald Eve LLP, Chartered Surveyors.

A valuation of investment properties was carried out as at 31 July 2021 by Gerald Eve LLP, Chartered Surveyors.

A valuation of the Student Village properties held as a service concession was carried out as at 31 July 2021 by Gerald Eve LLP, Chartered Surveyors.

A valuation of the University's owned halls of residence and other residential properties was carried out as at 31 July 2021 by valuers Saxton Mee Commercial.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

For new build projects greater than £10 million and refurbishment projects greater than £5 million the project is split into the following components:

- Structure - 50 years.
- Windows and doors - 30 years.
- Mechanical & Engineering - 25 years.
- Industrial kitchen and specialist lab furnishings - 25 years.
- Finishes - 15 years.

For assets that have not been componentised, freehold buildings are depreciated on a straight line basis over their expected useful lives of up to a maximum of 50 years.

Leasehold land and buildings are depreciated over the life of the lease, up to a maximum of 50 years. Refurbishments are depreciated over their expected useful lives, up to a maximum of 20 years. Specialised short-life assets, for example synthetic sports pitches, are depreciated over their expected useful lives, up to a maximum of seven years.

No depreciation is charged on assets in the course of construction.

### Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCIE.

### Equipment

Equipment, including computers and software, costing less than £20,000 per individual item, is recognised as expenditure. All other equipment, including groups of equipment, is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life of a maximum of 10 years, with the exception of equipment acquired for a specific research project, which is depreciated over an average project life of three years.

Donated equipment is capitalised at its market value and depreciated over five years.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

### Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

### Assets held for resale

Tangible fixed assets surplus to requirements are held at the lower of cost and net realisable value.

## 14. Heritage assets

The University is in possession of a small number of artworks, a museum collection of glassware and a zoology collection. Many of these items have been donated to the University. The University conducted an independent valuation of heritage assets by Andrew Firth, Fine Art and Antiques Limited at 31 July 2008 which showed that the value of these items was not material, and accordingly no heritage assets have been capitalised.

## 15. Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued on a regular basis.

Investments properties are disclosed within fixed assets in Note 13.

## 16. Investments

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

Other non-current asset investments and current asset investments are held at fair value with movements recognised in the Consolidated Statement of Income and Expenditure.

## 17. Stock

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

## 18. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 19. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when

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

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

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

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

## 20. Accounting for joint operations, jointly-controlled assets and jointly-controlled operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly-controlled assets in the Consolidated Statement of Income and Expenditure.

## 21. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of schedule 6 to the Finance Act 2010, and accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 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 fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted

## 22. Reserves

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

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

## 23. Accounting estimates and judgements

Significant estimates and judgements used in the preparation of the financial statements are as follows:

- 1) The University participates in the Universities Superannuation Scheme (USS). Employers in this scheme have entered into an agreement with the scheme that determines how the employer will fund a USS pension deficit liability. Future deficit contributions are currently the subject of consultation, however the University has concluded that the current schedule of deficit contributions is appropriate to use as the basis of the provision for the year ended 31 July 2021.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting

for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The University is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

- 2) The University of Sheffield Pension Scheme (USPS) is accounted for as a defined benefit scheme. Pension costs under FRS102, and the amount of the provision in the Statement of Financial Position, are based upon the latest actuarial valuation, and assumptions, including the appropriate discount rate, agreed by management following actuarial advice. These assumptions are detailed in Note 33.
- 3) The University's land and buildings are held at fair value. Valuations are carried out at regular intervals by professionally-qualified external valuers. Management make judgements as to whether any indicators of impairment are present for these assets, and whether there are indications that an adjustment is required to the useful economic lives of the buildings.
- 4) The provision for doubtful debts is based on an estimate of the recoverability of those debts.
- 5) In 2005-06 the University entered into a 41-year contract with a third-party provider for the provision and maintenance of student accommodation. Under FRS102 this arrangement has been accounted for as a service concession. The University's liability has been brought onto the Statement of Financial Position at a value based on the present value of the minimum lease payments. Payments made by the University to the third-party provider are apportioned between the finance charge and repayment of the liability.
- 6) The University's liability for staff annual leave not taken as at the reporting date has been based on information available for staff who record their annual leave usage on the University's online system. This information has been extrapolated to obtain an estimate for all staff.

## 24. Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and financial liabilities are recognised when the University becomes party to the contractual provisions of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Most of the University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS102. Basic financial assets and liabilities are measured as follows:

## Investments

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

## Debtors and creditors

Debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

## Loans

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

# Consolidated and institution statement of comprehensive income

Year ended 31 July 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Income</b>					
Tuition fees and education contracts	1	370.0	370.0	354.2	354.2
Funding body grants	2	96.1	96.1	93.4	93.4
Research grants and contracts	3	163.6	163.0	171.0	170.4
Other income	5	108.3	105.8	111.6	106.7
Investment income	6	1.2	1.3	2.1	2.3
Donations and endowments	7	4.8	4.8	5.2	5.2
<b>Total income</b>		<b>744.0</b>	<b>741.0</b>	<b>737.5</b>	<b>732.2</b>
<b>Expenditure</b>					
Staff costs - excluding movement in USS provision	8	386.3	385.2	393.1	388.0
Staff costs - movement in USS provision	8	4.3	4.3	(98.1)	(98.1)
Other operating expenses	10	216.8	218.1	209.4	207.7
Depreciation and impairment of fixed assets	12, 13	84.7	84.6	85.9	85.8
Interest and other finance costs	9	16.4	16.4	18.9	18.9
<b>Total expenditure</b>	10	<b>708.5</b>	<b>708.6</b>	<b>609.2</b>	<b>602.3</b>
<b>Surplus/(deficit) before other gains/(losses) and share of operating surplus/(deficit) of joint ventures and associates.</b>		<b>35.5</b>	<b>32.4</b>	<b>128.3</b>	<b>129.9</b>
Gain on disposal of fixed assets		0.6	0.6	0.2	0.2
Gain/(loss) on investments	15/25	12.0	10.2	(0.7)	(1.2)
Share of operating surplus/(deficit) in joint venture	16	-	-	(0.4)	-
Share of operating surplus/(deficit) in associate	17	(0.5)	-	(0.3)	-
Gift Aid		-	1.4	-	2.4
Dividends received		-	-	-	0.1
<b>Surplus before tax</b>		<b>47.6</b>	<b>44.6</b>	<b>127.1</b>	<b>131.4</b>
Taxation	11	-	-	-	-
<b>Surplus for the year</b>		<b>47.6</b>	<b>44.6</b>	<b>127.1</b>	<b>131.4</b>
Unrealised surplus on revaluation of land and buildings	13	40.3	40.3	7.6	7.6
Actuarial gain/(loss) in respect of pension schemes	33	42.6	42.6	(64.8)	(64.8)
<b>Total comprehensive income for the year</b>		<b>130.5</b>	<b>127.5</b>	<b>69.9</b>	<b>74.2</b>
Represented by:					
Endowment comprehensive income/(expenditure) for the year		1.2	1.1	(0.5)	(0.5)
Restricted comprehensive income/(expenditure) for the year		3.5	3.5	0.1	0.1
Unrestricted comprehensive income/(expenditure) for the year		103.6	100.6	83.5	86.5
Revaluation reserve comprehensive income/(expenditure) for the year		22.3	22.3	(13.2)	(11.9)
Attributable to the University		130.5	127.5	69.9	74.2
Attributable to the non-controlling interest		-	-	-	-
		130.5	127.5	69.9	74.2
<b>Surplus for the year attributable to:</b>					
Non-controlling interest		-	-	-	-
University		47.6	44.6	127.1	131.4

All items of income and expenditure relate to continuing activities  
The accompanying notes and policies on pages 46 to 51 form part of these financial statements.

# Consolidated and institution statement of changes in reserves

Year ended 31 July 2021

	Income and expenditure account			Revaluation reserve	Total excluding non-controlling interest	Non-controlling interest	Total
	Endowment	Restricted	Unrestricted				
	£m	£m	£m	£m	£m	£m	£m
<b>Consolidated</b>							
<b>Balance at 1 August 2019</b>	<b>46.0</b>	<b>3.3</b>	<b>338.6</b>	<b>640.3</b>	<b>1,028.1</b>	<b>0.1</b>	<b>1,028.2</b>
Surplus/(deficit) for the year	(0.5)	2.1	125.5	–	127.1	–	127.1
Other comprehensive (expenditure)/income	–	–	(64.8)	7.6	(57.2)	–	(57.2)
Transfers between revaluation and income and expenditure reserve	–	–	20.8	(20.8)	–	–	–
Release of restricted funds spent in year	–	(2.0)	2.0	–	–	–	–
<b>Total comprehensive expenditure for the year</b>	<b>(0.5)</b>	<b>0.1</b>	<b>83.5</b>	<b>(13.2)</b>	<b>69.9</b>	<b>–</b>	<b>69.9</b>
<b>Balance at 1 August 2020</b>	<b>45.5</b>	<b>3.4</b>	<b>422.1</b>	<b>627.0</b>	<b>1,098.0</b>	<b>–</b>	<b>1,098.0</b>
Surplus/(deficit) for the year	4.8	1.4	41.4	–	47.6	–	47.6
Other comprehensive (expenditure)/income	–	–	42.5	40.4	82.9	–	82.9
Transfers between revaluation and income and expenditure reserve	–	–	18.1	(18.1)	–	–	–
Transfers between reserves due to reclassification	(3.6)	3.6	–	–	–	–	–
Release of restricted funds spent in year	–	(1.6)	1.6	–	–	–	–
<b>Total comprehensive income for the year</b>	<b>1.2</b>	<b>3.4</b>	<b>103.6</b>	<b>22.3</b>	<b>130.5</b>	<b>–</b>	<b>130.5</b>
<b>Balance at 31 July 2021</b>	<b>46.7</b>	<b>6.8</b>	<b>525.7</b>	<b>649.3</b>	<b>1,228.5</b>	<b>–</b>	<b>1,228.5</b>
<b>Institution</b>							
<b>Balance at 1 August 2019</b>	<b>46.0</b>	<b>3.3</b>	<b>340.0</b>	<b>638.9</b>	<b>1,028.2</b>	<b>–</b>	<b>1,028.2</b>
Surplus/(deficit) for the year	(0.5)	2.1	129.8	–	131.4	–	131.4
Other comprehensive (expenditure)/income	–	–	(65.3)	8.1	(57.2)	–	(57.2)
Transfers between revaluation and income and expenditure reserve	–	–	20.0	(20.0)	–	–	–
Release of restricted funds spent in year	–	(2.0)	2.0	–	–	–	–
<b>Total comprehensive expenditure for the year</b>	<b>(0.5)</b>	<b>0.1</b>	<b>86.5</b>	<b>(11.9)</b>	<b>74.2</b>	<b>–</b>	<b>74.2</b>
<b>Balance at 1 August 2020</b>	<b>45.5</b>	<b>3.4</b>	<b>426.5</b>	<b>627.0</b>	<b>1,102.4</b>	<b>–</b>	<b>1,102.4</b>
Surplus/(deficit) for the year	4.8	1.4	38.3	–	44.5	–	44.5
Other comprehensive (expenditure)/income	–	–	42.5	40.4	82.9	–	82.9
Transfers between revaluation and income and expenditure reserve	–	–	18.1	(18.1)	–	–	–
Transfers between reserves due to reclassification	(3.6)	3.6	–	–	–	–	–
Release of restricted funds spent in year	–	(1.6)	1.6	–	–	–	–
<b>Total comprehensive income for the year</b>	<b>1.2</b>	<b>3.4</b>	<b>100.5</b>	<b>22.3</b>	<b>127.4</b>	<b>–</b>	<b>127.4</b>
<b>Balance at 31 July 2021</b>	<b>46.7</b>	<b>6.8</b>	<b>527.0</b>	<b>649.3</b>	<b>1,229.8</b>	<b>–</b>	<b>1,229.8</b>

# Consolidated and institution statement of financial position

Year ended 31 July 2021

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Non-current assets</b>					
Intangible assets	12	6.0	6.0	15.0	15.0
Fixed assets	13	1,484.2	1,484.0	1,450.8	1,450.6
Investments	15	7.3	44.3	8.6	45.7
Investment in joint venture	16	(0.7)	–	(0.7)	–
Investments in associate	17	(0.8)	–	(0.3)	–
Debtors and prepayments due in more than one year	18	2.1	22.1	0.8	25.6
		<b>1,498.1</b>	<b>1,556.4</b>	<b>1,474.2</b>	<b>1,536.9</b>
<b>Current assets</b>					
Stock		0.4	0.2	1.6	0.2
Trade and other receivables	19	91.3	93.5	91.0	96.5
Investments	20	46.6	46.6	40.0	40.0
Cash and cash equivalents	21	221.8	215.1	120.8	112.7
		<b>360.1</b>	<b>355.4</b>	<b>253.4</b>	<b>249.4</b>
Less: Creditors: amounts falling due within one year	22	(238.2)	(242.0)	(200.6)	(202.6)
Share of net liabilities in associate		–	–	–	–
<b>Net current assets/(liabilities)</b>		<b>121.9</b>	<b>113.4</b>	<b>52.8</b>	<b>46.8</b>
<b>Total assets less current liabilities</b>		<b>1,620.0</b>	<b>1,669.8</b>	<b>1,527.0</b>	<b>1,583.7</b>
Creditors: amounts falling due after more than one year	23	(165.8)	(214.3)	(167.4)	(219.8)
<b>Provisions</b>					
Pension provisions	24	(224.5)	(224.5)	(261.2)	(261.2)
Other provisions	24	(1.2)	(1.2)	(0.4)	(0.3)
<b>Total net assets</b>		<b>1,228.5</b>	<b>1,229.8</b>	<b>1,098.0</b>	<b>1,102.4</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	25	46.7	46.7	45.5	45.5
Income and expenditure reserve - restricted reserve	26	6.8	6.8	3.4	3.4
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		525.7	527.0	422.1	426.5
Revaluation reserve		649.3	649.3	627.0	627.0
		<b>1,228.5</b>	<b>1,229.8</b>	<b>1,098.0</b>	<b>1,102.4</b>
Non-controlling interest		–	–	–	–
<b>Total Reserves</b>		<b>1,228.5</b>	<b>1,229.8</b>	<b>1,098.0</b>	<b>1,102.4</b>

The financial statements on pages 46 to 81 were approved by the Council on 22 November 2021 and were signed on its behalf by:

Mr. A. P. Pedder OBE, Chair and Pro-Chancellor

Professor K. Lamberts, President and Vice-Chancellor

The University of Sheffield

# Consolidated statement of cash flow

		Year ended 31 July 2021	
		Year ended 31 July 2021	Year ended 31 July 2020
	Notes	£m	£m
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the year before tax		47.6	127.1
<b>Adjustment for non-cash items</b>			
Depreciation	13	84.7	85.9
Reclassification of intangible assets as revenue	12	8.0	-
(Gain)/loss on investments	15,25	(4.9)	0.8
Decrease/(increase) in stock		1.2	(0.3)
(Increase)/decrease in debtors	18,19	(13.3)	3.7
Increase in creditors	22,23	24.0	4.3
Increase/(decrease) in pension provision	24	6.0	(96.4)
Increase in other provisions	24	0.8	0.2
Receipt of donated equipment		-	-
Share of operating deficit in joint venture	16	-	0.4
Share of operating deficit in associate		0.5	0.3
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(1.2)	(2.1)
Interest payable	9	15.7	15.8
Endowment income		(0.3)	(0.4)
(Gain)/loss on disposal of fixed assets		(0.6)	(0.2)
(Gain)/loss on disposal of non-current assets		(5.3)	-
Capital grant income		(21.1)	(31.2)
<b>Cash flows from operating activities</b>		<b>141.8</b>	<b>107.9</b>
Taxation		-	-
<b>Net cash inflow from operating activities</b>		<b>141.8</b>	<b>107.9</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		4.2	1.4
Proceeds from sales of intangible assets		-	-
Capital grants receipts		38.9	24.7
Proceeds from the sale of non-current asset investments		7.5	-
Exchange gain on-current asset investments		-	-
Investment income	6	1.2	2.1
Payments made to acquire fixed assets	13	(60.4)	(78.9)
Payments made to acquire intangible assets	12	(8.3)	(5.4)
New non-current asset investments		-	-
New deposits		(6.0)	(0.3)
		<b>(22.9)</b>	<b>(56.4)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(6.5)	(6.5)
Interest element of finance lease and service concession payments	9	(9.2)	(9.3)
Endowment cash received		3.9	1.1
New unsecured loans		0.2	0.6
Repayments of amounts borrowed		(3.2)	(2.9)
Capital element of finance lease and service concession payments		(3.0)	(3.5)
		<b>(17.8)</b>	<b>(20.5)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>101.1</b>	<b>31.0</b>
Cash and cash equivalents at beginning of the year	21	120.8	89.8
Cash and cash equivalents at end of the year	21	221.9	120.8

# Notes to the financial statements

## Note 1 Tuition fees and education contracts

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Full-time home and EU undergraduate students	133.3	133.3	127.0	127.0
Full-time home and EU postgraduate students	15.0	15.0	13.2	13.2
International students	194.7	194.7	184.8	184.8
Home and EU part-time students	3.7	3.7	3.6	3.6
NHS education contracts	2.6	2.6	3.2	3.2
Research Training Support Grant and other contracts	20.7	20.7	22.4	22.4
	<b>370.0</b>	<b>370.0</b>	<b>354.2</b>	<b>354.2</b>

## Note 2 Funding body grants

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Recurrent grant</b>				
Office for Students	23.6	23.6	24.5	24.5
UK Research and Innovation (Research-England)	45.8	45.8	46.7	46.7
Capital grant	9.2	9.2	7.9	7.9
<b>Specific grants</b>				
Higher Education Innovation Fund	4.5	4.5	4.5	4.5
Global Challenge Research Fund	1.8	1.8	1.9	1.9
Skills Funding Agency	7.1	7.1	5.8	5.8
Other specific grants	4.1	4.1	2.1	2.1
	<b>96.1</b>	<b>96.1</b>	<b>93.4</b>	<b>93.4</b>

## Note 3 Research grants and contracts

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Government UK and overseas	63.3	63.3	64.2	64.2
Research Councils	58.7	58.7	62.9	62.3
Research charities	16.6	16.6	13.6	13.6
Industry and commerce	22.5	22.5	26.7	26.7
Other grants and contracts	2.5	1.9	3.6	3.6
	<b>163.6</b>	<b>163.0</b>	<b>171.0</b>	<b>170.4</b>

# Notes to the financial statements

## Note 4 Grant and fee income

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Grant income from the OfS	26.1	26.1	25.6	25.6
Grant income from other bodies	70.0	70.0	67.8	67.8
Fee income for taught awards (exclusive of VAT)	323.1	323.1	312.5	312.5
Fee income for research awards (exclusive of VAT)	18.5	18.5	16.1	16.1
Fee income from non-qualifying courses (exclusive of VAT)	28.4	28.4	25.6	25.6
	<b>466.1</b>	<b>466.1</b>	<b>447.6</b>	<b>447.6</b>

## Note 5 Other income

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Residences, catering and conferences	24.3	21.7	27.8	24.4
Patents and licences income	33.2	33.2	26.7	26.7
Other services rendered	17.6	17.6	18.1	18.1
Health Authorities	8.2	8.2	11.3	11.3
Capital grants	–	–	–	–
Job retention scheme income	2.2	2.2	4.2	4.2
Other income	22.8	22.9	23.5	22.0
	<b>108.3</b>	<b>105.8</b>	<b>111.6</b>	<b>106.7</b>

## Note 6 Investment income

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Investment income on endowments	25	1.0	1.0	1.1	1.1
Other investment income		0.2	0.3	1.0	1.2
		<b>1.2</b>	<b>1.3</b>	<b>2.1</b>	<b>2.3</b>

## Note 7 Donations and endowments

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
New endowments	25	0.3	0.3	0.5	0.5
Donations with restrictions		1.5	1.5	1.6	1.6
Unrestricted donations		3.0	3.0	3.1	3.1
		<b>4.8</b>	<b>4.8</b>	<b>5.2</b>	<b>5.2</b>

# Notes to the financial statements

## Note 8 Staff costs

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Staff Costs:</b>				
Salaries	281.4	280.6	288.9	284.3
Social security costs	28.3	28.2	28.6	28.3
Movement on USS provision	4.3	4.3	(98.1)	(98.1)
Other pension costs	76.6	76.4	75.6	75.4
<b>Total</b>	<b>390.6</b>	<b>389.5</b>	<b>295.0</b>	<b>289.9</b>

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated full-time equivalents	Institution full-time equivalents	Consolidated full-time equivalents	Institution full-time equivalents
<b>Staff numbers:</b>				
Academic departments	2,636	2,636	2,804	2,804
Academic services	1,053	1,053	1,079	1,079
Central administration and services	629	629	578	578
Premises	552	552	520	520
Research grants and contracts	1,502	1,495	1,481	1,474
Other external	495	475	627	546
Residences, catering and conferences	208	109	239	117
Staff and student facilities	221	221	246	246
	<b>7,296</b>	<b>7,170</b>	<b>7,574</b>	<b>7,364</b>

### Higher Education Senior Staff Remuneration Code:

The University of Sheffield is committed to transparency in its approach to the remuneration of its senior leadership team, including its President and Vice-Chancellor, and is fully committed to the new Higher Education Senior Staff Remuneration Code which sets out principles to ensure fair and appropriate senior remuneration. The University's annual Remuneration Report and Statement as required by the Higher Education Senior Staff Remuneration Code is available at [www.sheffield.ac.uk/govern/committees/senior-remuneration](http://www.sheffield.ac.uk/govern/committees/senior-remuneration).

### Number of staff with a University funded FTE basic salary of £100,000 or more:

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated number	Institution number	Consolidated number	Institution number
£100,000 to £104,999	23	23	33	33
£105,000 to £109,999	9	9	15	15
£110,000 to £114,999	13	13	4	4
£115,000 to £119,999	5	5	5	5
£120,000 to £124,999	5	5	6	6
£125,000 to £129,999	1	1	3	3
£130,000 to £134,999	6	6	5	5
£135,000 to £139,999	2	2	2	2
£140,000 to £144,999	–	–	–	–
£145,000 to £149,999	3	3	3	3
£150,000 to £154,999	5	5	1	1
£155,000 to £159,999	2	2	3	3
£160,000 to £164,999	1	1	1	1
£165,000 to £169,999	1	1	–	–
£170,000 to £174,999	1	1	–	–
£290,000 to £294,999	1	1	1	1
	<b>78</b>	<b>78</b>	<b>82</b>	<b>82</b>

# Notes to the financial statements

## Note 8 Staff costs (continued)

### Remuneration of the President and Vice-Chancellor

	Year ended 31 July 2021	Year ended 31 July 2020
	<b>Total</b>	<b>Total</b>
	£	£
Salary	290,130	290,130
Employer USS pension contributions	89,070	87,909
Salary sacrifice	(27,853)	(27,465)
Other non-taxable benefits		
Relocation costs	–	182
	<b>351,347</b>	<b>350,756</b>

The Senior Remuneration Committee is responsible for reviewing the performance and determining the remuneration of the University's Executive Board, including the President & Vice-Chancellor. The Committee is independent, consisting of lay members of Council and chaired by the Chair of Council. In line with the principles of the HE Senior Staff Remuneration Code, the Chair is assumed by another lay member when any decision on the remuneration of the President and Vice-Chancellor is made. The members of the Senior Remuneration Committee bring a wealth and breadth of remuneration expertise from different sectors. They take into account the University's progress, independent job evaluation using Hay methodology, external benchmarking data, individual performance and other information to help determine senior levels of pay.

The President & Vice-Chancellor's salary continues to reflect the size, scale and complexity of the organisation which has over 30,000 students, over 8,700 staff, an annual turnover of £744 million and strategic partnerships with many stakeholders, including local, national and global organisations. In addition to his role as President & Vice-Chancellor, Professor Koen Lamberts, is a respected leader in education nationally and internationally, and represents the University and the sector with a number of external leadership roles including holding the Chair of UKCISA's Board of Trustee and Deputy Chair and Board Member of the Russell Group: [www.sheffield.ac.uk/vc/biography](http://www.sheffield.ac.uk/vc/biography)

The performance of the President & Vice-Chancellor is formally reviewed annually in line with institutional and individual objectives set and agreed at the beginning of the academic year by both the Senior Remuneration Committee and the University's Council.

The last uplift to the President and Vice-Chancellor's salary was a 1.8% uplift on 1 August 2019 in line with the national pay award applied to all University staff.

#### Pay multiples

Pay ratios show the relationship between the President and Vice Chancellor's remuneration and all other employees (University and subsidiary), expressed as a multiple.

The total salary multiple includes: basic full-time equivalent pay at 31 July 2020 plus the total value of the following paid in the financial year: allowances, bonus, employer pension contributions, overtime, benefits-in-kind, non-taxable benefits (paid to the President and Vice Chancellor) and recognition awards.

The salaries of atypical employees/workers paid through the University's payroll are included in the pay multiple. The pay rates for the University's atypical workforce are in line with the University's grading structure. Atypical workers typically work in a variety of roles, attracting different pay rates and are normally for one-off or irregular assignments. External agency staff are excluded.

#### Basic salary

In 2020/21 the basic salary of the President and Vice-Chancellor was 8.8 times greater than the median basic salary of all other employees (2019/20 8.6).

#### Total salary

In 2020/21 the total salary of the President and Vice-Chancellor was 9.3 times greater than the median total salary of all other employees (2019/20 8.9).

# Notes to the financial statements

## Note 8 Staff costs (continued)

### Compensation for loss of office

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Total amount of compensation payable	1.9	1.9	9.0	9.0
	Number	Number	Number	Number
Number of staff to whom this was payable	183	183	418	418

The compensation in 2019/20 included voluntary severance scheme payments of £7.6m. No further costs were included in 2020/21.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

Key management personnel are defined as the University Executive Board, which is the President and Vice Chancellor's executive group and is comprised of: the President and Vice-Chancellor, the Provost and Deputy Vice-Chancellor, five Faculty Vice-Presidents, Vice-President for Research, Vice-President for Innovation, Vice-President for Education, Chief Financial Officer, Executive Director of Academic Services and Executive Director of Corporate Services.

Note that compensation consists of salary and benefits, including any employer's pension contributions.

	Year Ended 31 July 2021 £m	Year Ended 31 July 2020 £m
Key management personnel compensation	2.5	2.3

## Note 9 Interest and other finance costs

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Loan interest		4.0	4.0	4.4	4.4
Finance lease interest (including service concession finance charge)	14	9.2	9.2	9.3	9.3
Unwind of discount on USS pension provision		0.7	0.7	3.1	3.1
Net interest cost on University of Sheffield Pension Scheme	33	2.5	2.5	2.1	2.1
		16.4	16.4	18.9	18.9

# Notes to the financial statements

## Note 10 Analysis of total expenditure

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Analysis of other operating expenses</b>				
Consumables and laboratory expenditure	16.5	16.5	14.4	14.4
Books and periodicals	6.2	6.2	6.9	6.9
Printing, stationery and postage	1.7	1.7	2.6	2.6
Rates	1.8	1.8	2.9	2.3
Fellowships, scholarships and prizes	32.9	32.9	32.5	32.5
Furniture and equipment	17.2	17.2	15.5	15.5
Heat, light, water and power	11.7	11.5	13.5	13.0
Repairs and general maintenance	13.5	13.4	9.3	9.1
Grants to University of Sheffield Students' Union	3.5	3.5	3.6	3.6
Rents	16.5	16.5	16.6	16.6
Auditors' remuneration	0.2	0.2	0.1	0.1
Auditors' remuneration in respect of non-audit services	0.1	0.1	0.1	0.1
Professional fees and bought-in services	57.9	57.9	51.1	51.1
Provision for bad and doubtful debts, and write-offs	2.9	2.9	3.7	3.7
Administrative expenses	13.8	13.8	10.0	10.0
Travel and subsistence expenses	0.9	0.9	8.3	8.3
Payments to non-contracted staff	4.2	4.2	2.8	2.8
Conference and meeting expenditure	0.9	0.9	1.6	1.6
Professional subscriptions	3.3	3.3	2.9	2.9
Student placement fees	1.5	1.5	1.8	1.8
Other expenses	9.6	11.2	9.2	8.8
	<b>216.8</b>	<b>218.1</b>	209.4	207.7

Other operating expenses include payments under operating leases which are detailed in Note 31.

### Analysis of total expenditure by activity

Academic departments	227.6	227.6	241.3	241.3
Academic services	58.2	58.2	54.5	54.5
Central administration and services	32.4	32.4	35.1	35.1
General educational expenditure	37.7	37.7	39.2	39.2
Staff and student facilities	18.9	18.9	16.3	16.3
Research grants and contracts	123.3	123.3	124.1	124.1
Residences, catering and conferences	41.9	38.4	44.2	39.6
Premises (including service concession cost)	82.4	82.4	82.7	82.7
Other expenses	86.1	89.7	(28.2)	(30.5)
	<b>708.5</b>	<b>708.6</b>	609.2	602.3

Other expenses include the movement in the USS pension provision (Note 8) and payments under the voluntary severance scheme in 2019/20 (Note 8).

### Access and participation expenditure

Access investment	2.7	2.7	3.3	3.3
Financial support	6.3	6.3	7.1	7.1
Disability support	2.0	2.0	1.9	1.9
Research and evaluation	0.1	0.1	0.1	0.1
	<b>11.1</b>	<b>11.1</b>	12.4	12.4

£3.9m of the costs shown above are staff costs, and are included in Note 8 of the financial statements.

The University's current access and participation plan is shown at this link:  
[www.sheffield.ac.uk/polopoly\\_fs/1.8613041/file/Access\\_and\\_Participation\\_Plan\\_2020-21\\_to\\_2024-25.pdf](http://www.sheffield.ac.uk/polopoly_fs/1.8613041/file/Access_and_Participation_Plan_2020-21_to_2024-25.pdf)

# Notes to the financial statements

## Note 11 Taxation

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Recognised in the statement of comprehensive income</b>				
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	-	-	-	-

## Note 12 Intangible assets

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Software</b>				
Opening balance	15.0	15.0	9.5	9.5
Additions in the year	8.3	8.3	5.5	5.5
Reclassification as revenue	(8.0)	(8.0)	-	-
Impairment	(9.3)	(9.3)	-	-
Disposals in the year	-	-	-	-
Closing balance	6.0	6.0	15.0	15.0

The intangible asset relates to software development costs on the Student Lifecycle Programme. Information was received after the end of the reporting period indicating the asset was impaired at the end of the reporting period and the accounts reflect this information. £9.3m has been impaired as a result.

The asset is not yet complete and hence there is no amortisation charged in the year.

# Notes to the financial statements

## Note 13 Fixed assets

	Land and buildings	Service concession arrangement (Note 14)	Fixtures, fittings and equipment	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
<b>Group</b>					
<b>Cost or valuation</b>					
At 1 August 2020	1,148.1	191.3	322.7	82.0	1,744.1
Additions	4.3	-	15.1	52.5	71.9
Transfers	13.5	-	4.5	(18.0)	-
Surplus on revaluation	43.4	-	-	-	43.4
Loss on revaluation	(44.7)	(3.6)	-	-	(48.3)
Disposals	(3.5)	-	-	-	(3.5)
<b>At 31 July 2021</b>	<b>1,161.1</b>	<b>187.7</b>	<b>342.3</b>	<b>116.5</b>	<b>1,807.6</b>
<b>Consisting of:</b>					
Valuation	189.5	24.0	-	-	213.5
Cost	971.6	163.7	342.3	116.5	1,594.1
	<b>1,161.1</b>	<b>187.7</b>	<b>342.3</b>	<b>116.5</b>	<b>1,807.6</b>
<b>Depreciation</b>					
At 1 August 2020	28.3	-	265.0	-	293.3
Charge for the year	42.0	4.3	28.6	-	74.9
Impairment write down	0.4	-	-	-	0.4
Impairment of investment properties	-	-	-	-	-
Written back on revaluation	(40.9)	(4.3)	-	-	(45.2)
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>29.8</b>	<b>-</b>	<b>293.6</b>	<b>-</b>	<b>323.4</b>
<b>Net book value</b>					
<b>At 31 July 2021</b>	<b>1,131.3</b>	<b>187.7</b>	<b>48.7</b>	<b>116.5</b>	<b>1,484.2</b>
At 31 July 2020	1,119.8	191.3	57.7	82.0	1,450.8
<b>Institution</b>					
<b>Cost or valuation</b>					
At 1 August 2020	1,147.9	191.3	321.6	82.0	1,742.8
Additions	4.3	-	15.3	52.5	72.1
Transfers	13.5	-	4.5	(18.0)	-
Surplus on revaluation	43.4	-	-	-	43.4
Loss on revaluation	(44.7)	(3.6)	-	-	(48.3)
Disposals	(3.7)	-	-	-	(3.7)
<b>At 31 July 2021</b>	<b>1,160.7</b>	<b>187.7</b>	<b>341.4</b>	<b>116.5</b>	<b>1,806.3</b>
<b>Consisting of:</b>					
Valuation	189.1	24.0	-	-	213.1
Cost	971.6	163.7	341.4	116.5	1,593.2
	<b>1,160.7</b>	<b>187.7</b>	<b>341.4</b>	<b>116.5</b>	<b>1,806.3</b>
<b>Depreciation</b>					
At 1 August 2020	27.9	-	264.3	-	292.2
Charge for the year	42.0	4.3	28.6	-	74.9
Impairment write down	0.4	-	-	-	0.4
Impairment of investment properties	-	-	-	-	-
Written back on revaluation	(40.9)	(4.3)	-	-	(45.2)
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>29.4</b>	<b>-</b>	<b>292.9</b>	<b>-</b>	<b>322.3</b>
<b>Net book value</b>					
<b>At 31 July 2021</b>	<b>1,131.3</b>	<b>187.7</b>	<b>48.5</b>	<b>116.5</b>	<b>1,484.0</b>
At 31 July 2020	1,120.0	191.3	57.3	82.0	1,450.6

At 31 July 2021, freehold land and buildings included £30.8m (2020 - £23.9m) in respect of freehold land which is not depreciated.

In addition one investment property valued in total at £5.7m (2020 - two properties - £6.2m) was included above.

A valuation of the University's Academic and Administration buildings was carried out as at 31 July 2021 by external valuer Gerald Eve LLP.

A valuation of the University's residential property held under a service concession arrangement was carried out as at 31 July 2021 by external valuer Gerald Eve LLP.

A valuation of the University's residential property (excluding property in the Service concession arrangement) was carried out as at 31 July 2021 by external valuer Saxton Mee Commercial.

# Notes to the financial statements

## Note 14 Service concession arrangements

The University has one arrangement where service delivery has commenced.

### Movement in service concession arrangement assets

The asset value of the service concession included in the Statement of Financial Position as at 31 July 2021 is £187.7 (31 July 2020: £191.3m). The decrease of £3.6m in the year is calculated as follows:

	£m
Opening balance	191.3
Depreciation in the year	(4.3)
Impairments in the year	–
Writeback of depreciation on valuation	4.3
Loss on revaluation	(3.6)
Closing balance	<b>187.7</b>

### Movement in service concession arrangement liabilities

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2021 were £98.8m (31 July 2020 £101.8m). The sum of £3.0m was repaid during the year.

### Future commitments

The following table analyses the University's future commitments in relation to service concession arrangements.

	Payable in 1 year	Payable in 2-5 years	Payable in more than 5 years	Total
	£m	£m	£m	£m
Liability repayments	2.7	12.1	84.0	98.8
Finance charge	5.1	18.9	51.4	75.4
Service charge	6.4	26.6	184.2	217.2
	<b>14.2</b>	<b>57.6</b>	<b>319.6</b>	<b>391.4</b>

The notes below give more information on the University's current service concession arrangements:

During 2005-2006 the University entered into a 41-year contract with a third-party provider, for the provision and maintenance of student accommodation. Service commenced in 2006 and the contract will end in 2047.

The assets and liabilities relating to this scheme are recognised on the University's Statement of Financial Position.

Annual rental payments made to the provider are recorded in other operating expenses.

## Note 15 Non-current investments

	Subsidiary companies	Subsidiary investment in spinouts	Other fixed assets investments	Total
	£m	£m	£m	£m
<b>Consolidated</b>				
<b>At 1 August 2020</b>	–	–	8.6	<b>8.6</b>
Additions	–	–	–	–
Disposals	–	–	(2.0)	<b>(2.0)</b>
Other net gains / (losses)	–	–	–	–
Appreciation	–	–	0.8	<b>0.8</b>
Exchange movements	–	–	–	–
Impairment	–	–	(0.1)	<b>(0.1)</b>
<b>At 31 July 2021</b>	–	–	<b>7.3</b>	<b>7.3</b>
<b>Institution</b>				
<b>At 1 August 2020</b>	4.2	–	41.5	<b>45.7</b>
Additions	–	–	–	–
Disposals	–	–	(2.0)	<b>(2.0)</b>
Appreciation	–	–	0.7	<b>0.7</b>
Exchange movements	–	–	–	–
Impairment	–	–	(0.1)	<b>(0.1)</b>
<b>At 31 July 2021</b>	<b>4.2</b>	–	<b>40.1</b>	<b>44.3</b>

Investments that are listed are held at fair value.

# Notes to the financial statements

## Note 16 Investment in joint venture

The University holds an equal share in N8 Ltd (12.5%) and in Stem Learning Ltd (25%). The arrangements are treated as joint ventures and accounted for using the equity method, such that 12.5% and 25% of the companies gross assets and liabilities respectively are incorporated into the consolidated Statement of Financial Position of the University and 12.5% and 25% of net income is reported in the University's consolidated income and expenditure account.

	Year ended 31 July 2021		Year ended 31 July 2020	
	£m	£m	£m	£m
<b>Income and expenditure account</b>				
Income		8.2		7.6
Deficit before tax		-		(0.4)
<b>Statement of Financial Position</b>				
Fixed assets	-		0.1	
Current assets	3.2		3.1	
		3.2		3.2
Creditors: amounts due within one year	(3.1)		(3.0)	
Creditors: amounts due after more than one year	(0.8)		(0.9)	
		(3.9)		(3.9)
<b>Share of net assets/(liabilities)</b>		<b>(0.7)</b>		<b>(0.7)</b>

## Note 17 Investment in associates

The University has holdings in the following companies:

Company	%	Principal activity
AegiQ Ltd	20.0%	Research and experimental development on natural sciences and engineering
Aeqora Ltd	37.6%	Semantic based solutions for knowledge sharing
Blastech Ltd	26.2%	Blast, impact and ballistic testing services
Conteque Ltd	24.9%	Novel reinforcement systems for structural concrete
Enactus Sheffield Limited	*	Social enterprise company
Epipix Ltd	45.0%	Research and experimental development on natural sciences and engineering
Leonardo Testing Services Ltd	33.3%	Testing services for research and development
High Value Manufacturing Catapult	*	Grants management
IFRF Limited	*	Non profit research
Keapstone Therapeutics Ltd	36.0%	Virtual biotechnology
Knowledge Flo Ltd	45.0%	Holding company
Limitstate Ltd	25.0%	Computational limit analysis and software design
MetalloBio Ltd	40.0%	Research and experimental development of biotechnology
Modulus Oncology Ltd	22.1%	Research and experimental development on biotechnology
Phlux Technology Ltd	33.0%	Manufacture of electronic components
Plume Biotechnology Ltd	30.0%	Research and experimental development of biotechnology
Productive Machines Ltd	20.0%	Manufacture of metal forming machinery
Redbrick Molecular Limited	*	Chemistry research and development
Rinri Therapeutics Limited	28.6%	Research and experimental development on biotechnology

\* Limited by guarantee

All companies are incorporated in Great Britain.

# Notes to the financial statements

## Note 18 Debtors and prepayments due in more than one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Amounts falling due in more than one year:				
Prepayment: ABF lease	–	20.0	–	23.8
Prepayment: Professional Services	–	–	0.1	0.1
Prepayment: IT Services	1.4	1.4	–	–
Loans to Group companies	0.7	0.7	0.6	1.6
Loans to other companies	–	–	0.1	0.1
	<b>2.1</b>	<b>22.1</b>	<b>0.8</b>	<b>25.6</b>

## Note 19 Trade and other receivables

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Amounts falling due within one year:				
Research grants accrued income	28.8	28.8	24.1	24.1
Prepayments and other accrued income	27.4	27.4	33.8	33.8
Other receivables	35.1	35.9	33.1	36.3
Amounts due from subsidiary companies	–	1.4	–	2.3
	<b>91.3</b>	<b>93.5</b>	<b>91.0</b>	<b>96.5</b>

## Note 20 Current investments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Short-term investment in shares	41.0	41.0	40.0	40.0
Short-term bonds	–	–	–	–
Short-term deposits	5.6	5.6	–	–
	<b>46.6</b>	<b>46.6</b>	<b>40.0</b>	<b>40.0</b>

# Notes to the financial statements

## Note 21 Cash and cash equivalents

	At 1 August 2020 £m	Cash flows £m	At 31 July 2021 £m
<b>Consolidated</b>			
Cash and cash equivalents	120.8	101.0	221.8
	120.8	101.0	221.8
<b>Institution</b>			
Cash and cash equivalents	112.7	102.4	215.1
	112.7	102.4	215.1
<b>Consolidated movement in net debt</b>			
<b>Net debt 1 August 2020</b>			49.5
Movement in cash and cash equivalents			(101.0)
Acquisition of subsidiaries			-
Disposal of subsidiaries			-
New finance leases			-
Other non-cash changes			(6.0)
Changes in market value and exchange rates			-
<b>Net debt 31 July 2021</b>			(57.5)

### Change in net debt

#### Analysis of net debt:

#### Cash and cash equivalents

#### Borrowings: amounts falling due within one year

Secured loans	-	-
Unsecured loans	3.3	3.4
Bank overdraft	-	-
Obligations under finance leases	-	-
Service concession arrangements	2.7	3.0
Derivatives	-	-
	6.0	6.4

#### Borrowings: amounts falling due after more than one year

Service concession liabilities due after one year	96.0	98.8
Obligations under finance lease	-	-
Derivatives	-	-
Secured loans	-	-
Unsecured loans	62.3	65.1
	158.3	163.9

#### Net (cash and cash equivalents)/debt

	31 July 2021 £m	31 July 2020 £m
Cash and cash equivalents	221.8	120.8
Borrowings: amounts falling due within one year	6.0	6.4
Borrowings: amounts falling due after more than one year	158.3	163.9
<b>Net (cash and cash equivalents)/debt</b>	(57.5)	49.5

# Notes to the financial statements

## Note 22 Creditors: amounts falling due within one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Bank loans	2.7	2.7	2.7	2.7
Secured loans	–	–	–	–
Unsecured loans	0.6	0.6	0.7	0.7
Obligations under finance leases	–	3.8	–	3.8
Service concession arrangements (Note 14)	2.7	2.7	3.0	3.0
Trade payables	15.5	15.4	15.5	15.1
Social security and other taxation payable	8.3	8.3	7.8	7.5
Accruals and deferred income	168.7	168.0	141.8	140.2
Other creditors	39.7	40.5	29.1	29.6
	<b>238.2</b>	<b>242.0</b>	<b>200.6</b>	<b>202.6</b>

### Deferred income

Included within accruals and deferred income above are the following items of income which have been deferred until specific performance-related conditions have been met.

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Research grants received on account	64.2	64.2	52.4	52.4
Other income	41.8	41.8	26.0	26.0
	<b>106.0</b>	<b>106.0</b>	<b>78.4</b>	<b>78.4</b>

## Note 23 Creditors: amounts falling due after more than one year

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Service concession liabilities due after one year	96.0	96.0	98.8	98.8
Obligations under finance lease	–	48.6	–	52.4
Long term creditor	0.5	0.4	0.4	0.4
Deferred income	7.0	7.0	3.1	3.1
Bank and other loans	2.5	2.5	5.3	5.3
Private placement	59.8	59.8	59.8	59.8
	<b>165.8</b>	<b>214.3</b>	<b>167.4</b>	<b>219.8</b>
Analysis of loans, private placement and finance lease				
<b>Due within one year or on demand (Note 22)</b>	<b>3.2</b>	<b>7.0</b>	<b>3.4</b>	<b>7.2</b>
Due between one and two years	1.2	5.1	3.2	7.1
Due between two and five years	1.2	12.7	2.1	14.2
Due in five years or more	59.9	93.2	59.8	96.2
<b>Due after more than one year</b>	<b>62.3</b>	<b>111.0</b>	<b>65.1</b>	<b>117.5</b>
<b>Total unsecured loans and finance leases</b>	<b>65.5</b>	<b>118.0</b>	<b>68.5</b>	<b>124.7</b>
Unsecured loans repayable by 2047	65.5	65.5	68.5	68.5
	<b>65.5</b>	<b>65.5</b>	<b>68.5</b>	<b>68.5</b>

Included in loans and private placement are the following:

Lender	Amount £m	Term	Interest rate %	Borrower	Date
Unifund Plc	59.8	40 years - bullet repayment	5.33 - Fixed	University	31 May 2007
Scottish Widows Ltd	3.3	15 years - quarterly repayment	5.46 - Fixed	University	30 November 2007
			0.25 - variable		
Salix Finance Ltd	2.4	4 years - biannual repayment	Interest free	University	
Total	<b>65.5</b>				

# Notes to the financial statements

## Note 24 Provisions for liabilities

	Obligation to fund deficit on USS pension	USPS defined benefit obligation (Note 33)	Total pensions provisions	Other	Total provisions
	£m	£m	£m	£m	£m
<b>Consolidated</b>					
At 1 August 2020	96.9	164.3	261.2	0.4	261.6
Utilised in year	4.3	–	4.3	–	4.3
Additions in 2020-21	0.7	–	0.7	1.0	1.7
Unused amounts reversed in 2020-21	–	(41.7)	(41.7)	(0.2)	(41.9)
<b>At 31 July 2021</b>	<b>101.9</b>	<b>122.6</b>	<b>224.5</b>	<b>1.2</b>	<b>225.7</b>
<b>Institution</b>					
At 1 August 2020	96.9	164.3	261.2	0.3	261.5
Utilised in year	4.3	–	4.3	–	4.3
Additions in 2020-21	0.7	–	0.7	1.0	1.7
Unused amounts reversed in 2020-21	–	(41.7)	(41.7)	(0.1)	(41.8)
<b>At 31 July 2021</b>	<b>101.9</b>	<b>122.6</b>	<b>224.5</b>	<b>1.2</b>	<b>225.7</b>

### USS pension deficit provision

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in Note 33 (i).

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed, of which more detail is given in Note 33 (i). This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

The major assumptions used to calculate the provision are:

	Year ended 31 July 2021	Year ended 31 July 2020
Discount rate	0.87%	0.73%
Salary growth	Year 1: 8.8% increase Year 2: 4.2% increase Years 3+: 2.5% increase	Year 1: 6.3% decrease Year 2: 0.7% decrease Years 3+: 4.4% increase

### Sensitivity analysis:

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2021	Approximate impact
	£m
0.5% pa decrease in discount rate	2.0
0.5% pa increase in salary inflation over duration	2.0
0.5% pa increase in salary inflation year 1 only	0.5
0.5% increase in staff changes over duration	2.0
0.5% increase in staff changes year 1 only	0.5
1% increase in deficit contributions	11.9

### Other provisions

Other provisions include the final disposal costs of sealed sources as defined by the High Activity Sealed Source regulations of 2005 (S12005 No. 2686). The current estimate for the provision is £0.2m for the disposal of a large Sr-90 source and for the disposal of two IBL 437C irradiators. The guarantee is in place until December 2023 at this value. Other provisions also include an amount in staff costs for awards made in respect of the University Reward and Recognition scheme, which will be effective from January 2021. The 2020/21 award process was delayed due to the pandemic.

# Notes to the financial statements

## Note 25 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2021 Total	2020 Total
	£m	£m	£m	£m	£m
<b>Balances at 1 August 2020</b>					
Capital	21.9	8.5	9.9	40.3	41.0
Accumulated income	4.4	–	0.8	5.2	5.0
	26.3	8.5	10.7	45.5	46.0
New endowments	–	–	0.3	0.3	0.5
Investment income	0.6	0.2	0.2	1.0	1.1
Expenditure	(0.3)	(0.2)	(0.1)	(0.6)	(0.9)
Realisations	–	–	(0.2)	(0.2)	(0.7)
Reclassification	–	–	(3.6)	(3.6)	–
Increase/(decrease) in market value of investments	2.6	1.0	0.7	4.3	(0.5)
<b>Total endowment comprehensive expenditure for the year</b>	2.9	1.0	(2.7)	1.2	(0.5)
	29.2	9.5	8.0	46.7	45.5
<b>At 31 July 2021</b>					
<b>Represented by:</b>					
Capital	24.6	9.5	7.1	41.2	40.3
Accumulated income	4.6	–	0.9	5.5	5.2
	29.2	9.5	8.0	46.7	45.5
<b>Analysis by type of purpose:</b>					
Lectureships	4.9	–	0.1	5.0	4.5
Scholarships and bursaries	17.9	–	4.9	22.8	20.4
Research support	1.7	–	0.6	2.3	5.9
Prize funds	2.1	–	1.8	3.9	3.4
General	2.6	9.5	0.6	12.7	11.3
	29.2	9.5	8.0	46.7	45.5
<b>Analysis by asset</b>					
Fixed assets				–	–
Current and non-current asset investments				41.1	40.0
Cash & cash equivalents				5.6	5.5
				46.7	45.5

### Deficit balances

The accumulated income relating to the following permanent endowments is currently in deficit. The income to cover these deficits is expected to be received by 31 July 2022.

Balances at 31 July 2021:	Capital	Income
	£	£
Ellen Heatherington Arthritis Research	108,246	(22,637)
Kodak Ltd Chair of Radiodiagnosis	455,394	(18,050)
Herbert Price Prize	14,935	(10,858)
F Moody Chair of Neurology	683,105	(678)
Glass Process Engineering	140,481	(311)
	<b>1,402,161</b>	<b>(52,534)</b>

# Notes to the financial statements

## Note 26 Restricted reserves

Reserves with restrictions are as follows:

	2021 Total	2020 Total
	£m	£m
<b>Balances at 1 August 2020</b>	<b>3.4</b>	<b>3.3</b>
Research grant income	0.1	0.3
Other restricted income	1.3	1.8
Expenditure	(1.6)	(2.0)
Reclassification of reserves	3.6	–
<b>Total restricted comprehensive income/(expenditure) for the year</b>	<b>3.4</b>	<b>0.1</b>
<b>At 31 July 2021</b>	<b>6.8</b>	<b>3.4</b>
<b>Analysis of other restricted funds /donations by type of purpose:</b>		
Lectureships	–	–
Scholarships and bursaries	1.2	1.2
Research support	4.4	1.0
Prize funds	–	0.1
General	1.2	1.1
	<b>6.8</b>	<b>3.4</b>

## Note 27 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2021:

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Commitments contracted for	76.9	76.9	76.7	76.7
Commitments not contracted for	36.5	36.5	94.5	94.5
	<b>113.4</b>	<b>113.4</b>	<b>171.2</b>	<b>171.2</b>

## Note 28 Contingent liabilities

The University has given written undertakings to support this subsidiary company at twelve months from the date of approval of these financial statements:

Unicus Sheffield Ltd

The management of the University believe it is not practicable, at the time of signing of these accounts, to calculate the financial effect and/or timing of any requirement for funding that could arise from the letter of support, but believe that any support required would not be considered a material liability to the University.

## Note 29 Linked charities

Included in the endowments in Note 25 are a small number of linked (paragraph (w)) charities:

	Opening balance	Realisations	Income	Expenditure	Change in market value	Closing balance
	£m	£m	£m	£m	£m	£m
<b>Consolidated</b>						
4 funds and charities each with income below £100,000:	0.4	–	–	–	–	0.4
	<b>0.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.4</b>

The Funds and charities with income below £100,000 comprise two lecture funds, a prize fund, a fund to support scholarships and small projects.

The Yorkshire Cancer endowment was reclassified during the year from being a restricted expendable endowment to being a restricted donation. See the Consolidated and Institution Statement of Changes in Reserves and Note 25 for the disclosure of these reclassification transfers.

# Notes to the financial statements

## Note 30 Subsidiary undertakings

The subsidiary companies wholly-owned or effectively controlled by the University are as follows:

Company	Principal activity	%
AMRC Korea**	Advanced manufacturing research	100.00%
AMRC Management Ltd	Advanced manufacturing research	100.00%
epiGenesys Ltd	Custom software solutions and web applications	100.00%
Escafeld Estates Ltd	Property disposal for student residences strategy	100.00%
FaraPack Polymers Ltd	Innovative packaging solutions	100.00%
Sheffield Advisory Services Sdn Bhd	University Malaysian Office	100.00%
Suel Ltd	Business and management consultancy	100.00%
The National Metals Technology Centre Ltd	Licensing of NAMTEC name to the University	*
TUOS Parking Ltd	Car park services	100.00%
Unicus Sheffield Ltd	Hotel services	100.00%
UoS LP Ltd	Partner in asset backed funding of University Pension scheme	100.00%
UoS GP Ltd	Partner in asset backed funding of University Pension scheme	100.00%

\* Limited by guarantee

\*\* AMRC Korea is a wholly-owned foundation

Apart from Sheffield Advisory Services Ltd, which is incorporated in Malaysia, and AMRC Korea, which is incorporated in South Korea, all companies are incorporated in Great Britain.

## Note 31 Lease obligations

Total rentals payable under operating leases:

Consolidated and Institution	31 July 2021			31 July 2020	
	Land and buildings	Printers	Vehicles	Total	Total
	£m	£m	£m	£m	£m
<b>Payable during the year</b>	10.0	0.1	0.1	10.2	10.3
<b>Future minimum lease payments due:</b>					
Not later than 1 year	9.3	–	–	9.3	9.1
Later than 1 year and not later than 5 years	39.4	–	–	39.4	37.9
Later than 5 years	10.4	–	–	10.4	10.0
<b>Total lease payments due</b>	59.1	–	–	59.1	57.0

## Note 32 Events after the reporting period

The Universities Superannuation Scheme (USS) 2020 valuation was not concluded until October 2021. The provision for the Institution's obligation to fund the deficit on the USS pension scheme (detailed in Note 24) was therefore calculated on the basis of the deficit recovery plan agreed after the 2018 valuation.

If the new schedule of deficit reduction contributions payable by the Institution following the 2020 valuation had been used as the basis for our provision, the level of the provision at 31 July 2021 would have increased from £102m to £286m.

For the 2020–21 financial year, the finalisation of the 2020 valuation is considered to be a non-adjusting event.

# Notes to the financial statements

## Note 33 Pension schemes

The two principal schemes for the University's staff are the Universities' Superannuation Scheme (USS), and the University of Sheffield Pension Scheme (USPS). In addition, for some clinical staff, contributions are paid to the National Health Service Pension Scheme (NHSPS).

	Year ended 31 July 2021	Year ended 31 July 2020
<b>Statement of comprehensive income - net pension cost in year</b>	<b>£m</b>	<b>£m</b>
USS contributions	68.2	68.3
USPS service costs	6.6	5.9
NHSPS contributions	1.7	1.7
Movement on USS provision in staff costs (Note 8)	4.3	(98.1)
USS pension finance cost (Note 9)	0.7	3.1
USPS and ex-gratia pensions net interest charge (Note 9)	2.5	2.1
USPS administration cost in other operating expenses	1.8	0.7
	<b>85.8</b>	<b>(16.3)</b>
<b>Other comprehensive income - actuarial (gain)/loss in respect of pension schemes</b>		
USPS including FRS 102 adjustments	<b>(42.6)</b>	64.8
<b>Statement of financial position - pension scheme liability (Note 24)</b>		
USS	<b>101.9</b>	96.9
USPS including FRS 102 adjustments	<b>122.6</b>	164.3
	<b>224.5</b>	261.2

### (i) The Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme. 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.

The total cost charged to the income and expenditure account is £5.0m (2020: credit of £95.0m).

The latest available completed 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 key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

# Notes to the financial statements

## Note 33 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	Year 1: 8.8% increase Year 2: 4.2% increase Years 3+: 2.5% increase	Year 1: 6.3% decrease Year 2: 0.7% decrease Years 3+: 4.4% increase

### (ii) University of Sheffield Pension Scheme

#### Disclosure for the accounting period ending 31 July 2021

The last formal triennial actuarial valuation of the scheme was performed as at 1 April 2020 by a professionally-qualified actuary.

During the accounting period, the University paid contributions to the scheme in accordance with the tiered contribution structure that had been effective from 1 December 2011.

The University also provides ex-gratia pension benefits to certain employees and former employees who previously did not join other pension arrangements. Ex-gratia benefits have now ceased accruing for all such employees. The University currently pays ex-gratia pensions of £371,477 per annum. These liabilities are not separately funded.

#### Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At July 2021	At July 2020
	%pa	%pa
Price inflation (RPI)	3.15	2.75
Price inflation (CPI)	2.70	2.25
Rate of increase in salaries	3.40	3.05
Pension increases - CPI (scheme members excess benefits)	2.70	2.25
Pension increases - CPI max 3% (post 88 GMP)	2.15	2.25
Pension increases - RPI (ex-gratia academic staff)	3.15	2.75
Pension increases - 3% fixed (ex-gratia academic staff)	3.00	3.00
Discount rate	1.65	1.58

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Males		Females	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31 July 2020	22.3	23.8	24.6	26.5
<b>At 31 July 2021</b>	<b>22.1</b>	<b>23</b>	<b>24.4</b>	<b>26.1</b>

# Notes to the financial statements

## Note 33 Pension schemes (continued)

### Scheme assets and expected rate of return for USPS

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations..

The assets in the scheme were:

	Fair value as at		
	31 July 2021	31 July 2020	31 July 2019
	£m	£m	£m
Equities	103.3	96.2	124.6
Government bonds	7.8	7.7	6.0
Corporate bonds	75.3	54.2	49.1
Property	18.5	17.8	17.0
Cash	7.1	10.7	7.3
Other	39	37.9	16.2
<b>Total</b>	<b>251.0</b>	<b>224.5</b>	<b>220.2</b>

The tables below include, where applicable, disclosures for the USPS and ex-gratia pensions combined to enable clear presentation. The ex-gratia pensions account for £4.2m of the total liabilities of £158.5m and £0m of the total assets.

	Year ended 31 July 2021	Year ended 31 July 2020
	£m	£m
<b>Analysis of the amount shown in the balance sheet for USPS and ex-gratia pensions:</b>		
Scheme assets	251.0	224.5
Scheme liabilities	(373.6)	(388.8)
<b>Deficit in the scheme – net pension liability recorded within pension provisions</b>	<b>(122.6)</b>	<b>(164.3)</b>
<b>Amount charged to Income and Expenditure for USPS</b>		
Current service cost	6.6	5.9
Administration expenses	1.8	0.7
<b>Total operating charge</b>	<b>8.4</b>	<b>6.6</b>
<b>Analysis of the amount charged to interest payable for USPS and Ex-gratia pensions</b>		
Interest cost	5.8	6.5
Expected return on assets	(3.3)	(4.4)
<b>Net charge to interest payable</b>	<b>2.5</b>	<b>2.1</b>
<b>Analysis of other comprehensive income for USPS and ex-gratia pensions</b>		
(Gain)/loss on assets	(25.5)	0.5
Experience (gain)/loss on liabilities	(35.9)	–
(Gain)/loss on liabilities	18.8	64.3
<b>Total other comprehensive income before deduction for tax</b>	<b>(42.6)</b>	<b>64.8</b>

# Notes to the financial statements

## Note 33 Pension schemes (continued)

	Year ended 31 July 2021	Year ended 31 July 2020
	£m	£m
<b>Cumulative actuarial loss recognised as other comprehensive income for USPS and ex-gratia pensions</b>		
Cumulative actuarial losses recognised at the start of the year	138.9	74.0
Cumulative actuarial losses recognised at the end of the year	96.2	138.9
<b>Analysis of movement in deficit for USPS and ex-gratia pensions</b>		
<b>Deficit at beginning of year</b>	<b>164.3</b>	<b>100.9</b>
Contributions or benefits paid by the University	(10.0)	(10.0)
Current service cost	6.6	5.9
Administration charge	1.8	0.7
Net interest cost	2.5	2.0
Loss recognised in other comprehensive income	(42.6)	64.8
<b>Deficit at end of year</b>	<b>122.6</b>	<b>164.3</b>
<b>Analysis of movement in the present value of USPS and ex-gratia liabilities</b>		
<b>Present value of USPS and ex-gratia liabilities at the start of the year</b>	<b>388.8</b>	<b>321.0</b>
Current service cost (net of member contributions)	6.6	5.9
Interest expense	5.8	6.5
Actual member contributions (including notional contributions)	0.3	0.4
Actuarial gain/(loss)	(17.1)	64.3
Actual benefit payments	(10.8)	(9.3)
<b>Present value of USPS and ex-gratia liabilities at the end of the year</b>	<b>373.6</b>	<b>388.8</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	<b>224.5</b>	<b>220.2</b>
Expected return on assets	3.3	4.4
Actuarial gain on assets	25.5	(0.5)
Actual contributions paid by University	9.6	9.7
Expenses paid from scheme assets	(2.0)	(0.9)
Actual member contributions (including notional contributions)	0.3	0.4
Actual benefit payments	(10.2)	(8.8)
<b>Fair value of scheme assets at the end of the year</b>	<b>251.0</b>	<b>224.5</b>
<b>Actual return on Scheme assets</b>		
Expected return on Scheme assets	3.3	4.4
Actuarial gain on assets	27.6	(0.5)
Actual return on Scheme Assets	30.9	3.9

Estimated contributions for USPS in the Financial Year 2021–2022 is £9.8m.

# Notes to the financial statements

## Note 34 Financial instruments

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Measured at fair value</b>				
Non-current investments held at fair value (Note 15)	7.3	40.2	7.7	41.5
Endowment investments held at fair value (Note 20)	41.0	41.0	40.0	40.0
<b>Measured at cost</b>				
Trade and other receivables (Note 19)	91.3	93.5	91.0	96.5
Trade payables (Note 22)	(15.5)	(15.4)	(15.5)	(15.1)
Social security and other taxation payable (Note 22)	(8.3)	(8.3)	(7.8)	(7.5)
Accruals and deferred income due in one year (Note 22)	(168.7)	(168.0)	(141.8)	(140.2)
Accruals and deferred income due in more than one year (Note 23)	(7.0)	(7.0)	(3.1)	(3.1)
Other creditors due in one year (Note 22)	(39.7)	(40.5)	(29.1)	(29.6)
Other creditors due in more than one year (Note 23)	(0.4)	(0.4)	(0.4)	(0.4)
Bank and other non-secured loans (Note 22)	(3.3)	(3.2)	(3.4)	(3.4)
Bank and other non-secured loans (Note 23)	(2.5)	(2.5)	(5.3)	(5.3)
Private placement (Note 23)	(59.8)	(59.8)	(59.8)	(59.8)
	<b>(165.6)</b>	<b>(130.4)</b>	<b>(127.5)</b>	<b>(86.4)</b>

# Notes to the financial statements

## Note 35 Related party disclosure

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2021, are as follows:

The Institution has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

The University of Sheffield Pension Scheme (USPS) is a post-employment benefit plan for the benefit of employees of the University of Sheffield, and as such is defined as a related party under FRS102. Transactions between the University and USPS are disclosed in Note 33.

### Entities over which the Institution has control, joint control or significant influence

	Income from related party	Expenditure to related party	Balances due from/(to) the related party	Income from related party	Expenditure to related party	Balances due from/(to) the related party
	Year ended 31 July 2021		31 July 2021	Year ended 31 July 2020		31 July 2020
	£m	£m	£m	£m	£m	£m
AegiQ Ltd	-	-	-	-	0.2	-
Aeqora Ltd	-	0.1	-	-	0.2	-
Keapstone Therapeutics Ltd	-	-	-	-	0.1	-
High Value Manufacturing Ltd	-	0.1	-	-	-	-
Phlux Technology Ltd	-	0.1	-	-	-	-
Redbrick Molecular Ltd	0.1	-	-	0.1	-	-
Rinri Therapeutics Ltd	0.2	-	-	0.4	-	0.3
Sheffield University Student's Union	1.3	1.8	0.2	1.9	1.1	0.5
The Russell Group of Universities	-	0.1	-	-	0.1	-
Sheffield Advisory Services Sdn Bhd	-	-	-	-	0.2	-
N8 Limited	0.3	0.1	-	0.2	0.1	-

### Organisations and Companies in which members of Council or senior management have an interest:-

	Income from related party	Expenditure to related party	Balances due from/(to) the related party	Income from related party	Expenditure to related party	Balances due from/(to) the related party
	Year ended 31 July 2021		31 July 2021	Year ended 31 July 2020		31 July 2020
	£m	£m	£m	£m	£m	£m
Sheffield Teaching Hospitals NHS Foundation Trust	14.3	4.0	2.8	13.6	4.7	1.7
Henry Boot Plc	-	0.4	-	-	8.1	(0.3)
DLA Piper	-	0.8	-	-	2.0	(0.1)
Universities and Colleges Admissions Service (UCAS)	-	0.2	-	-	0.2	-

Sheffield Teaching Hospitals NHS Foundation Trust is a provider of healthcare services. Mr A P Pedder is the Chairman of the Trust.

Henry Boot Plc is a construction and property development business, listed on the London Stock Exchange. Mr J Sutcliffe is the Group C.E.O.

DLA Piper is a global law firm. Mr S Sly is a Solicitor within the firm.

The University President and Vice-Chancellor is Chair of the UCAS Board, and the University Chief Financial Officer is on the Finance Committee of UCAS.

### Council Members

The Institution's Council members are the trustees for charitable law purposes. Due to the nature of the Institution's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Council may have an interest.

All transactions involving organisations in which a member of Council may have an interest, including those identified above, are conducted at arms length and in accordance with the institution's Financial Regulations and usual procurement procedures.

No expenses were paid to Council members in respect of their duties as Council members in the year to 31 July 2021 (2020: £927 paid to six Council members). No remuneration was paid to or waived by Council members in connection with their duties as Council members (2020: £0).

# Notes to the financial statements

## Note 36 US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

Lines	Expendable Net assets		Year ended 31 July 2021		Year ended 31 July 2020	
			£m	£m	£m	£m
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		1,175.0		1,049.1
30	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		53.5		48.9
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	0.7		0.7	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		0.7		0.7
8	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	1,296.5		1,259.5	
FS Note line 8A	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation		1,184.7		1,159.0
FS Note line 8B	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-		-
FS Note line 8D	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase		59.2		63.5
FS Note line 8C	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		52.5		37.0
9	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	187.7		191.3	
Excluded Line 9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		191.3		222.9
M9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation		(3.6)		(31.6)
10	Statement of Financial Position - Other intangible assets	Intangible assets		6.0		15.0
17	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		224.5		261.2
14,20,22	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	65.0		67.8	
M24,20,22, Note Debt A	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation		65.0		67.8

# Notes to the financial statements

## Note 36 US Department of Education Financial Responsibility Supplemental Schedule (continued)

Lines	Expendable Net assets		Year ended 31 July 2021		Year ended 31 July 2020	
			£m	£m	£m	£m
M24,20,22, Note Debt B	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation		-		-
M24,20,22, Note Debt C	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		-
21	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	96.1		98.8	
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		96.1		98.8
Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		-		-
25	Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-
26	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-
27	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-
29	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		38.7		34.8
<b>Total expenses and losses</b>						
43	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		708.5		609.2
(35) 45 46 47 48 49	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(55.4)		64.1
(35) 45	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		(13.3)		(1.4)
47	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-
<b>Modified Net assets</b>						
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		1,175.0		1,049.1
30	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		53.5		48.9
10	Statement of Financial Position - Goodwill	Intangible assets		-		-
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	0.7		0.7	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		0.7		0.7
<b>Modified assets</b>						
12	Statement of Financial Position - Total Assets	Total Assets		1,858.2		1,727.6
Excluded Line 9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		191.3		222.9

**Note 36 US Department of Education Financial Responsibility Supplemental Schedule (continued)**

Lines	Modified assets (continued)		Year ended 31 July 2021		Year ended 31 July 2020	
			£m	£m	£m	£m
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		96.1		98.8
10	Statement of Financial Position - Goodwill	Intangible assets		-		-
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	0.7		0.7	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		0.7		0.7
<b>Net income ratio</b>						
55	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		85.6		62.7
38 (35) 50	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		743.3		735.6



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Email: [disability.info@sheffield.ac.uk](mailto:disability.info@sheffield.ac.uk)

