



The
University
Of
Sheffield.

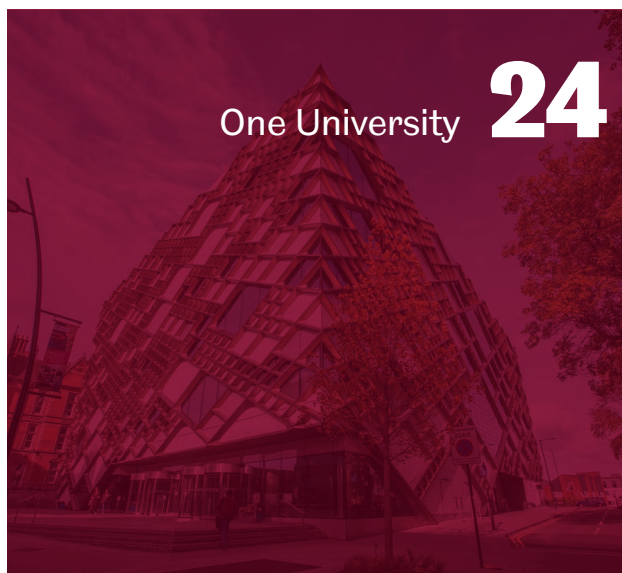


Annual Report & Financial Statements 2019–20.



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President and Vice-Chancellor's introduction



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

2019–2020 marks my second full year as President and Vice-Chancellor of the University of Sheffield. I know that I am not alone when I say that this year has been one of the most extraordinary – and challenging – on record for our University. In this introduction, I will reflect on how our University community has responded to the Covid-19 pandemic, as well as mark other areas of achievement and look forward to the future.

When news of Covid-19 first reached the UK in January, our University community responded immediately. We first looked at how we could support our international students and partners who were experiencing the earliest effects of the virus. Then, as the virus spread across the world and reached the UK, we turned our attention to what we could do to keep our own students, staff and local communities as safe as possible. Very quickly we moved our teaching, learning and research online and our professional services staff adjusted to working from home. The University never closed. Instead, we found new, innovative ways of delivering all our important work digitally. Staff and students have shown tremendous dedication and flexibility this year. I am incredibly proud of what we have achieved together.

I am especially proud of the way that the University has worked to respond to the national and global challenges of the Covid-19 pandemic. Since March, our academics have researched and advised on almost every aspect of the pandemic and continue to do so.

Our medical researchers are playing a key role in the UK Coronavirus Immunology Consortium that works to understand immune responses to the virus. They are also supporting the Oxford vaccine trial, researching the long-term health impacts of Covid-19 and advising on public health strategies.

Across our faculties of social sciences, arts and humanities, science and engineering, our academics have also contributed to evidence and debate around Covid-19, advising on economic and green recovery, food supply chains, the arts sector and the impact on childhood development, to name just a few examples.

The University of Sheffield Advanced Manufacturing Research Centre (AMRC) was also at the forefront of the pandemic response this year. As part of the High Value Manufacturing Catapult, the AMRC played a key role in the Ventilator Challenge UK consortium which saw industrial, technology and engineering businesses from across the aerospace, automotive and medical sectors come together to produce medical ventilators for the UK. As part of the Ventilator Challenge, the AMRC Cymru facility in Broughton, North Wales, was completely transformed to become the main ventilator manufacturing facility. Production lines that would typically take 18 months to build were set up in just four weeks. The production of this life-saving equipment would have normally taken 10 years to fulfil and was delivered in just 10 short weeks.

In recent years, some have questioned whether universities are the right institutions to deliver the type of innovative, flexible and translational research and development that the UK needs to be able to recover economically, create more jobs, address the climate crisis and support health and wellbeing. This year, I believe that universities have proved just how well placed we are to work in the national and international interest during the most and challenging of times.

The University of Sheffield's flagship research institutes have made a significant mark since their launch in April 2019. A collaborative project between the Grantham Centre for Sustainable Futures and the Institute for Sustainable Food used discarded mattresses and hydroponics to create 'desert gardens' that can grow food for Syrian refugees living in the Za'atari refugee camp in Jordan. The Healthy Lifespan Institute has contributed to important debates around the intersectional factors that affect healthy ageing. The new Translational Energy Research Centre is due to open in 2021. And, importantly, we are due to celebrate ten years of groundbreaking translational research in neuroscience.

Despite the ongoing challenges of the pandemic, the students who choose to study with us never fail to impress with their determination, thirst for knowledge and eagerness to contribute. This summer was particularly challenging for those who received A Level grades without the usual formal assessments. There was a lot of disappointment and confusion before the grading was changed. We responded by being as flexible as possible and offering places wherever we were able to. In particular, we have prioritised students from less advantaged backgrounds and under-represented groups as part of our commitment to becoming as inclusive as possible in our approach to education.

As we look to the next year, our focus will be to launch and deliver our new University vision and strategy. This strategy has a central theme of One University – a community spirit that drives us forward to deliver our world-class research, innovation and education. I look forward to reporting on our strategy in next year's annual report.

Professor Koen Lamberts
President and Vice-Chancellor

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Foreword by the Chair of Council

My report this year is inevitably dominated by the Covid-19 pandemic and the University's response. The objectives we set at the start of the year have been overtaken by the need to focus the governing Council's efforts on ensuring that student and staff welfare and other support have been appropriately adapted to respond to the new situation. Among the wide range of measures we took quickly, face-to-face teaching was suspended and moved online, students were released from accommodation contracts and a new no-detriment policy for assessments was introduced.

The initial assessment of the risks facing us highlighted that, despite our history of sound financial management, we were facing an incredibly uncertain and potentially very seriously adverse financial outlook. This would require the University's Executive Board and Council to make difficult decisions to seek to minimise any damage to the University and ensure that we remained a going concern. I am conscious that regrettably this created a very difficult and uncertain situation for many colleagues. I hope through the enhanced communication which has been undertaken by our executive team, there has been a realistic understanding of the issues facing the University and the background to actions being contemplated.

At the time of writing this report, while the outlook remains uncertain, thankfully the overall picture looks improved against those worst-case forecasts we made some months ago. The virus is still prevalent in the community and hence we will undoubtedly face challenges going forward. I do believe that the actions we have taken in terms of robust and sensible financial management, both to reduce our running costs and to review all capital spending, have given the University the best possible financial underpinning as we face the uncertain months ahead. We should now have a basis from which we can continue to operate effectively as a University and also continue to invest in key areas of student support and to fund our world-leading research.

The admissions process for 2020–21 has been difficult. The University has taken a pragmatic and flexible approach to this, in order to support applicants while safeguarding academic standards. Applicants who received their centre assessment grade and met the terms of their original offer have been accepted onto those programmes that did not have strict limitations on the number of people who could study. Applicants who met the requirements of their offer but were applying to courses with capacity constraints have been offered a place where possible or guaranteed deferred entry to September 2021. Applicants who received higher results than originally awarded, but not their original offer, have been considered on a case-by-case basis. At the time of writing this report, the outcome of this approach is that our home student recruitment



Tony Pedder OBE
Chair of the University of Sheffield Council

position looks likely to be stronger than we had originally anticipated at the start of lockdown. International student numbers are more difficult to predict at this stage, but current indications from applicant numbers are also encouraging for the year ahead. We have also continued to prioritise widening participation to students from disadvantaged backgrounds, mindful of the additional barriers that may be placed on their access to higher education in these more uncertain times.

The University's aim is and has always been, to make its offer as attractive as possible to students, while ensuring it is doing everything it can to maintain their safety and the safety of staff. Colleagues in academic and professional services departments are undertaking a range of activities to manage this safe return to campus and we will continue to keep welfare and safety issues paramount and be guided by the local and national guidelines.

Finally, with regard to the impact of Covid-19, I would like to thank the many members of the University who have responded so positively to the challenges we have faced. Not only did the University move quickly to reassure and support its existing and prospective students, it also played a vital role in the national fight against Covid-19 and to support our local and regional NHS. Our researchers were key contributors to the efforts to map the genome of this particular strain of coronavirus and provided vital information about the nature and effects of the virus.

The Advanced Manufacturing Research Centre (AMRC) reprioritised its work to respond to the government's ventilator challenge within hours of the prime minister's call for support from industry. The University brought forward the graduation of its medical students to ensure that more people could be working on the frontlines, tackling this pandemic. These are efforts that every member of our University community can be proud of.

Notwithstanding these enormous challenges in the second half of last year, I am pleased to report that overall 2019–2020 has been a year of success for Sheffield. Student satisfaction continues to be high. The most recent National Student Survey shows 85 per cent of our students were satisfied with their overall experience, two per cent above the sector average. In five subjects, Sheffield is ranked number one for satisfaction levels. The Students' Union continues to generate a great deal of positivity, with satisfaction 18 per cent above the sector average and the highest in the Russell Group. This demonstrates that we continue to offer very high quality teaching and student experience, and this excellence is recognised by our student community. We have also been ranked the highest in Yorkshire and the Humber and second among all northern universities for graduate prospects, with 81.5 per cent of employed 2017–18 graduates in highly skilled occupations within 15 months of graduating.

Driven by the work of our flagship research institutes, the University continues to enhance its reputation for globally leading research and innovation. From the development of new drugs that could potentially kill antibiotic-resistant superbugs to enhancing the quality of life for people living with neurodegenerative conditions, our research is improving lives every day. Our academics have won a number of awards for research excellence this year. To highlight just a couple of examples, Professor Richard Ross received an international honour for his work pioneering therapy for children with chronic hormone deficiency, while Dr Claire Corkhill won the Pam Liversidge OBE Award for Engineering for her inspirational teaching and research. There are many such examples. Each one is a great achievement for the academics involved and further enhances the reputation of Sheffield for excellence in research and teaching.

We are also continuing to strengthen our local and regional partnerships. As one of the biggest employers in the city region, the University fully recognises and embraces the important role we play in supporting the regional economy. This is particularly vital now, as the Covid-19 pandemic will leave a legacy, among other things, of economic hardship and a need to focus on economic recovery for our local communities. We are working closely with the region's elected mayor, the Sheffield City Region combined authority, the local enterprise partnership, our local authorities, local and regional business stakeholders and our anchor institution colleagues at Sheffield Teaching Hospitals NHS Foundation Trust and Sheffield Hallam University to be a strong contributor to a strategy for recovery for the Sheffield City Region.

Despite some challenges in the delivery of the new social sciences building, this has also been another successful year for Sheffield in the completion of its priority capital projects, including the Engineering Heartspace building and the PET MRI scanner. Each completed project enhances our offer to prospective students, allowing them to learn in some of the best facilities available in the sector.

Our network of alumni continues to be one of our greatest assets offering enormous support to students and graduates alike. This has also been another successful year for fundraising and philanthropy, with significant sums raised for important research projects like the Parkinson's Appeal, the Desert Garden Appeal, and the Sheffield Scanner Appeal.

With other issues dominating the agenda, we should remain conscious that the Brexit uncertainties I referred to in my report last year remain. It is still not clear whether the UK will secure a deal with the EU before the end of the transition period. The absence of a deal potentially threatens some international partnerships and schemes like Erasmus+ and Horizon Europe, so we will continue to make the case regarding the importance of those schemes and the benefit of maintaining close relationships across the continent of Europe.

This has inevitably been a year of disruption for our students and I thank them for their support and understanding. It is particularly sad that graduation ceremonies have been postponed or have taken place online and we have been temporarily deprived of that moment of collective celebration which marks the end of another academic year. The absence of a traditional ceremony does not in any way lessen the immense pride we have in the success of all our 2020 graduates and I congratulate them all and wish them well for the future.

I am grateful for the support of the members of University Council and members of the University's various governance committees. This year particularly they have given a great deal of their time and brought experience and wisdom to our deliberations. I would particularly like to thank those members of Council whose terms ended in 2020: Professor Wyn Morgan, Professor Dave Petley, Professor Lorraine Maltby and the outgoing Students' Union President Jake Verity, and to wish them well in their future endeavours.

Finally, I want to record my thanks, on behalf of University Council, to our executive leadership team and all our researchers, teachers and support staff, who have confronted the challenges we have faced with great professionalism, maintaining at all times our paramount commitment to exceptional teaching and research, and local and global collaboration. We are all fortunate to work in a diverse and inclusive working environment and it is thanks to the hard work and dedication of University staff that we enter the new academic year with confidence and determination, despite the incredibly difficult external environment that we have faced and the uncertainties we will continue to face. It is because of our collective endeavour that our University can continue to discover and to understand, for the benefit of future generations.

Strategic report

Financial review

Cash balances

£121m

Cash from operations

£108m

Liquidity days

70

Borrowings

£171m

Net assets

£1,098m

Digital and physical infrastructure investment

£84m

Income growth

3%

Expenditure growth
(excluding USS)

3%

These are extraordinary times across the globe and for the higher education sector. We are facing a raft of uncertainties and risks: Covid-19, geopolitical influences, Brexit, and pension sustainability to name but a few, and these are not mutually exclusive.

Covid-19 has impacted upon the lives of us all, requiring us to successfully adapt our University almost overnight. Our financial focus remains our financial health, safeguarding cash and liquidity, and ensuring we are flexible and resilient. Long-term financial sustainability underpins our financial strategy.

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 38.

Review of the year

Our performance for the year has total income growing by 3% to £738m. We generated cash from our operations of £108m. At the financial year end date we had cash resources of £121m plus an undrawn £100m revolving credit facility. Excluding non-cash staff costs relating to pensions, financial performance during the year shows an operating surplus of £29m.

Our strong student income growth trajectory continued, particularly driven by international postgraduate taught students where we continue to see excellent growth in demand of quality. Fee income represents half of the University's income, having grown by 7% during the year to £354m. Our international students represent 25% of the University's income.

As is the case for all universities, the Covid-19 pandemic has had a significant impact on both our current income and our financial forecasts for the next academic year.

In the second half of the year we experienced lost revenue, including from our accommodation, campus and conference activity, which had an immediate impact on our finances. Other income streams, such as research, temporarily slowed.

However, we know the impact and uncertainty of Covid-19 will continue in 2020–21. None of us know how the pandemic will evolve in the coming months.

In response to the income reductions triggered by Covid-19, and the uncertainty in which we operate, we are taking actions that will deliver a long-term sustainable financial position for our University. We have sought to build our cash balances and to deliver long term financial strength.

We have curtailed non-essential spend. Capital projects have been restricted to projects with contractual obligations only. We offered a voluntary severance scheme and launched a number of voluntary cost-saving options available to staff. We accessed government support through the Coronavirus Job Retention Scheme, advance payments from the Student Loans Company, and the Quality Research payments. We have not needed to apply for the Covid-19 Corporate Financing Facility.

As a result of these collective actions our financial position at the end of 2019–20 is strong and contributes to controlled expenditure in 2020–21. As well as being able to identify considerable cost savings, we have bolstered our available cash balances and have made progress in protecting our University finances. We have been able to put ourselves in a position where we can now access more of the government support available and could borrow more if needed.

Looking ahead

There are undoubtedly financial uncertainties ahead. In planning for the coming years we have undertaken scenario planning and sensitivity analysis to ensure our finances are not compromised. Under these scenarios we remain financially sustainable.

We have built a solid financial platform with relatively low levels of bank debt, healthy levels of available cash, a strong financial position and actionable plans drawn up should they be required. Applications to study at Sheffield continue to increase. Our research order book remains robust. We know we are financially prepared for the future. We know we will not breach bank covenants. We know we have cash resilience.

The financial actions we have taken during 2019–20 have benefited us in year, and will provide a strong base for future challenges. It is vital we remain financially robust and retain the cash resilience to successfully deliver the University's ambitions.

Pensions

We are reporting a pension liability of £261m, compared to £293m in 2018–19. This is in respect of our two main schemes: USS and USPS.

Universities Superannuation Scheme (USS)

It has been another turbulent year for USS. Our results continue to show volatility driven by pensions, and this impacts upon the accounts, feeding straight into our operating surplus.

The provision for the University's share of the USS pension scheme deficit has decreased by £95m to £97m, based upon the 2018 valuation. The reduction in the term of the latest deficit recovery plan has given rise to a substantial reduction in the deficit provision and a significant one-off credit within staff costs. All universities participating in USS will see a reduction in their share of the deficit position arising.

Therefore included in this year's results is the outcome of the 2018 USS valuation which results in a staff cost 'saving' of £95m. As a consequence this year we are reporting a £29m surplus before USS, and a £127m surplus after USS. In 2018–19 we reported upon the 2017 valuation which led to a staff cost charge of £131m. Last year we were reporting a £27m surplus before USS and a £103m deficit after USS.

The outcomes of the 2020 valuation are expected to impact upon the 2020–21 results.

University of Sheffield Pension Scheme (USPS)

Our in-house scheme, the University of Sheffield Pension Scheme (USPS), has also experienced an increase in liability by £63m to £164m as a result of market conditions impacting on the scheme's assumptions, particularly the discount rate.

Market conditions, such as corporate bond yields which have decreased, are outside of our control, and these are driving the increase in liability. Fears over the impact of Covid-19 caused considerable market volatility and falls in equity markets with AA-rated corporate bond yields varying between 1.5% and 3.0% during 2020. The discount rate has changed to 1.58% from 2.17%.

However, as this is an 'in-house' scheme, it is treated differently in the statement of comprehensive income and expenditure to the multi-employer USS scheme, and instead appears below operating surplus as an "actuarial gain/(loss) in respect of pension schemes."

Digital and physical infrastructure investment

Our physical and digital estate of £1.5bn is central to the delivery of the University of Sheffield's academic vision and it allows us to provide world-class teaching and learning facilities for our students and staff.

Whilst investment in our digital and physical infrastructure has been paused, we have taken the opportunity to reflect upon what we need to support learning, teaching and research at the University of Sheffield in the future.

Our technology enabled strategic framework has proved flexible and responsive, allowing us to immediately deliver online teaching and remote work as well as to be ready for the start of term. The framework has been adopted to govern technology investment in the future and will allow us to effectively understand what our immediate and future technology needs are and to give a clear investment approach to achieve these.

We are already seeing increased investment in technology across the sector and our University, and increasing use of cloud-based technologies, transferring some of the risks away from ourselves and on to providers.

The start of the year saw the completion of the £52m Engineering Heartspace building in January 2020 which has been nominated for an inspiring learning space award at the 2020 Education Estates awards. Whilst we have paused projects due to Covid-19, we have not lost sight of our ambition to ensure we have a cutting-edge estate that enables the achievement of excellence.

Covid-19 may change the investment weightings between traditional office space and remote-working technologies, and we will not be immune from this. We also revalue our fixed assets and this brings a degree of uncertainty due to the current economic climate.

People

Our staff represent our largest single item of expenditure at 55% (excluding USS).

During the year we undertook a voluntary severance scheme, reducing our future annual cost base by £12m. Whilst we needed to create opportunities for future operational efficiency and effectiveness, we remain deeply committed to preserving our excellent teaching, learning and research. We ensured that the scheme did not compromise our academic endeavour and student experience and did not prevent our recovery from the effects of the Covid-19 pandemic.

Pensions remain a challenge for the sector, with 2020 valuations taking place on our two main schemes, USS and USPS. Cost increases are already anticipated for both schemes, but the extent and other potential measures remain unknown.

Our policies

Financial strategy

The primary purpose of the financial operating strategy is to enable the University to achieve a robust, solvent and sustainable financial position in the short and longer term and to facilitate ongoing strategic development. 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.

The financial operating strategy is developed to support governors and senior managers in taking a proactive and strategic approach toward managing the financial future of our University in order to continue to achieve academic success.

Our overall financial goal is 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.

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 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 balances of £121m and an undrawn revolving credit facility (RCF). Net liquidity days were 70 (129 including the undrawn RCF). This is an increase from 2018-19 and reflects the desired objective of the University's Covid-19 response to build up cash balances so we are well placed for the future.

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

Endowment investment policy

The University holds endowments of £46m.

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

Strategic plan

In 2020, the University developed a new vision and strategic plan that was approved by University Council and sets out our vision and ambitions from 2020–2025. Our new vision and strategic plan will enable us to steer decisively through the challenges ahead, to remain agile and competitive, to realise our ambitions and fulfil our responsibilities.

One University – A vision for the future 2020–2025

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.

Our strategic objectives

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.

The detailed objectives that support each pillar are outlined in our new vision and strategic plan. These can be found with further information at www.sheffield.ac.uk/vision

Transitioning between strategic plans

The annual report 2019–20 covers a period where we are transitioning between two strategic plans. The objectives covered and case studies provided in this annual report are both underpinned by the University's mission and themes from the Strategic Plan 2016–2021 and look forward to **One University – A vision for the future 2020–2025**.

Further detail on the themes and strategies/objectives supporting the Strategic Plan 2016–2021 can be found at www.sheffield.ac.uk/vision/strategic-plan-2015

Measuring progress during transition

A suite of key performance indicators (KPIs) has been used to assess progress towards the ambitions outlined in the Strategic Plan 2016–2021 over the last four years. These have been reviewed regularly in the context of the changing internal and external environment.

As part of the development of the new One University - A vision for the future 2020–2025, our approach to key performance indicators has been reassessed and a new suite of KPIs and targets is being finalised. These KPIs will support each of the key pillars of the new vision and provide a strong link to metrics that will be used across the University to assess our progress.

As we transition between the two strategies we provide a set of interim KPIs that outline progress against the themes of the Strategic Plan 2016–2021. These use the same methodology and many of the same indicators, which compare the University's performance against our major competitors. Status ranks our performance against competitors and direction of travel shows whether this has changed from the previous year. The interim KPIs also draw out some of the expected key indicators that will help inform our progress 2020–2025.

It should be noted that much of the sector comparative data which informs these specific KPIs is lagged and reflects the position prior to the impact of Covid-19.

Overall strategic performance 2019–20

Key performance indicator	Strategic theme 2016–2021	Status	Direction of travel
Student satisfaction	Our education and student experience	Green	↔
Entry standards (undergraduate)		Amber	↔
Research income	Our research and its impact	Amber	↔
PhD students		Amber	↔
Industry links and external partnerships	Our strategic partners	Green	↑
International student recruitment	Our place: locally and globally	Green	↔
Diversity of student intake		Red	↔
Students from low-participation neighbourhoods	Our public responsibility	Green	↔
BAME attainment gap		Green	↑
Carbon emissions		Amber	↔
Cash inflow as % of total income	The challenge of resource	Green	↔
Liquidity days		Green	↔
% of Professorial staff who are BAME	The power of people	Amber	↔
Gender pay gap		Green	↔

Risk management

The University Executive Board, Risk Review Group oversees all levels of strategic and operational risk and opportunity management. Find more about our University risk management on page 32–34.

Financial statements

The governors of the University of Sheffield present their report and financial statements for the year ended 31 July 2020. The University's financial statements are listed under page 29–70 of this report.

Our charity status

The University holds charitable status as an exempt charity. The Council and senior management have had due regard to the Charity Commission's public benefit guidance. Public benefit is integral to the University's culture.





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 28 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.

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. The University's beneficiaries include its undergraduate and postgraduate students but we believe that education is not just a private good to the individual. 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 will 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.

The following sections (pages 14–27) provide examples of how our work delivers public benefit in accordance with our strategic objectives and institutional values.

Our response to the pandemic



A concerted effort

Thanks to the hard work of our talented academic and professional services staff, our response to the pandemic has been rapid and wide-ranging. While the situation continues to create new challenges, we're working closely with our partners, at home and abroad, to mitigate and manage its effects.

Despite the restrictions, our world-class researchers have hit the ground running with various new projects to help tackle the pandemic. Meanwhile in learning and teaching, we've pivoted to provide the digital resources that will continue to be important for our staff and students during this period and beyond.

Standing by our people

The rapid transition to working from home has been a challenge for all our staff. They have responded admirably. Our first priority at all times has been to support their wellbeing.

Beginning with an overall equality and wellbeing risk assessment, Human Resources developed a raft of guidance and practical tools. These include guidance for supporting staff with care responsibilities and other issues, training for our Wellbeing Champions – incorporating a session from Mental Health England – and themed sessions for managers.

Playing a key role locally and nationally

Right across the University, our staff and students are passionately engaged with the issues we now face as a society. Working with external partners and across disciplines, we're exploring solutions and planning for the future.

When the prime minister called on industry to help deliver 50,000 new ventilators, colleagues from our Advanced Manufacturing Centre (AMRC) swung into action, placing themselves right at the heart of the nationwide drive. Swiftly converting their North Wales facility into a production line, they manufactured 10,000 ventilators which were sent to hospitals throughout the UK.

Academics from the Department of Infection, Immunity and Cardiovascular Disease will play a key role in a new £8.4 million project looking at the long-term health impacts of coronavirus.

A research student in the Department of Computer Science has helped develop an AI that could spot coronavirus outbreaks before they occur, reducing the need for large-scale lockdowns. A whole cohort of 250 medical students graduated ahead of schedule so they could start helping people affected by the virus.

Through the Sheffield Innovation Programme, in partnership with Sheffield Hallam University, we've

continued to support businesses in the region, adapting our methods to respond remotely, providing access to academics, group webinars and more. And we're helping regional companies navigate the complex challenges they face as a result of the pandemic.

We've also been working to preserve the city's cultural life. A new online hub, developed by the council and Our Favourite Places, keeps arts and culture alive during lockdown, promoting events such as virtual poetry readings, theatre and music.

Helping society to adjust

Researchers in the Faculty of Social Sciences have won funding from UK Research and Innovation for a wide variety of projects addressing issues caused by the pandemic. Covering everything from food security to economic recovery and the future of our cultural industries, they all have the potential to influence policy.



How to understand, scale and maximise the effectiveness of volunteer responses to COVID-19.

Jon Burchell (Management School).

The geography of post COVID-19 shutdown recovery risk in UK economic activity. Implications for recovery inequality and targeted stimulus.

Jesse Matheson (Department of Economics).

Meeting food vulnerability needs during COVID-19: applying a systems approach to evidence based policy and practice.

Hannah Lambie-Mumford (Department of Politics and International Relations).

Responding to and modelling the impact of COVID-19 on Sheffield's cultural ecology – a case study of impact and recovery.

Vanessa Toulmin (Faculty of Arts and Humanities); Malcolm Tait (Department of Urban Studies and Planning).

A longitudinal mixed-methods population study of the UK during the COVID-19 pandemic: Psychological and social adjustment to global threat.

Richard Bentall (Faculty of Science); Todd Hartman (Sheffield Methods Institute).

The local as a site of food security resilience in the times of pandemic: opportunities, challenges and ways forward.

Anna Krzywoszyńska (Department of Geography).



Our incredible alumni

Colleagues in Alumni and Philanthropy have been more proactive than ever, helping our global community of alumni stay connected during the pandemic. Our alumni have responded by supporting projects to help others through difficult times.

In one emergency campaign, 386 donors raised £187,278 for Sheffield students facing serious financial hardship, helping struggling students back on their feet and back to their studies.

Following the national call for PPE, Dr Pete Mylon (Faculty of Engineering) and colleagues began 3D printing face-shields for care workers, using facilities in the iForge, Sheffield's seminal maker space. Alumni gave £19,506 to the project which produced over 5,000 face shields for Sheffield surgeries, pharmacies, hospices and care homes.

Research

Bringing history to life with AR technology

In collaboration with creative agency Human Studio, our archaeologists have created a virtual model of the medieval castle that was once the beating heart of Sheffield. Based on Professor John Moreland's research, it's the most accurate representation of the castle ever produced, allowing us to step into the past and have a look around.

The immersive, augmented reality experience wowed thousands of visitors at Festival of the Mind in 2018. Now it's on permanent display in the most apt location imaginable: the National Videogame Museum in Castle House, right where the real castle stood.

Languages and cultures: major new study

Academics from our School of Languages and Cultures will lead a major project, funded by the Arts and Humanities Research Council, exploring one of the biggest challenges in central and eastern European languages.

Working alongside researchers from seven partner institutions in the Czech Republic and Croatia, Professor Neil Bermel and colleagues will look at competing forms (when two words mean the same thing), how these phenomena evolve, the difficulties they present in terms of language learning and how some words become standard usage while others don't.

The future of public health

The Wellcome Trust is investing over £5 million to fund 35 new PhDs at Sheffield. These students, from the UK and overseas, will focus on the most critical issues in global public health. Their research will inform policy and decision making at an international level.

Health data revolution

Our academics are leading a £3.4 million initiative to improve patient care through the use of data analytics.

The Better Care North Partnership will initially focus on social care and how better use of data could improve the way care home residents are monitored to detect any deterioration in their condition. Better monitoring can help optimise the use of antibiotics and reduce antimicrobial resistance.

Fifteen organisations are involved in the partnership. Professor Suzanne Mason (School of Health and Related Research) will be an associate director. Professor Peter Bath (Information School) will co-lead its training theme.

Sustainable energy for rural Amazon communities

Researchers from our Energy Institute are helping to provide rural communities in the Amazon region with clean, secure electricity. Dr Davide Poggio is working with partners from two Brazilian universities (Universidade Federal do Amazonas and the Universidade Federal de Minas Gerais) to develop a microgrid which uses a

combination of solar energy and biogas from biowaste such as manure to produce energy.

Loneliness: towards a new public health approach

A cross-faculty team, with colleagues from Brunel and De Montfort, has delivered a major new project to understand loneliness in migrant and ethnic minority groups. There is reason to believe these groups could be at increased risk from loneliness, a social problem that can have implications for physical and mental health.

Funded by the National Institute for Health Research, the 18-month project provides a much-needed assessment of existing research and approaches to the problem and suggests a more holistic way of working in which local social systems could be loneliness-proofed.

Inequality: challenging assumptions

Funded by the Nuffield Foundation, researchers in our Department of Urban Studies and Planning have developed an atlas of inequality in England that challenges misconceptions. Their work suggests that no single measure of inequality gives the full picture, so to develop effective solutions we may need a much wider range of methodologies to gauge the true extent of the problem.

Florey Institute's insight is a game changer

Scientists at our Florey Institute have broken new ground in their mission to combat antibiotic resistance in bacteria, producing the first high-resolution images of the cell wall structure of *Staphylococcus aureus*, better known as MRSA. This unprecedented insight into the structure of the outer bacterial layers provides a new framework for understanding how bacteria grow and how antibiotics work.

Net zero: paving the way

The University is leading a £7.25 million project to create sustainable carbon-based materials that could help the UK meet its net zero carbon targets. Funded by the Engineering and Physical Sciences Research Council (EPSRC) and led by Professor Graham Leggett (Department of Chemistry), researchers will develop organic molecular materials that could improve technologies such as solar energy capture and medical sensors.

Motor neurone disease: green light for clinical trial

Sheffield is a key partner in an international consortium investigating a potential new treatment for motor neurone disease (MND). The treatment, which uses a protein to control the immune response of patients with MND, could reduce further damage to the brain and spinal cord.

Scientists from the Sheffield Institute of Translational Neuroscience (SITraN) played an important role in the successful pilot study, which has led to funding for a longer, large-scale clinical trial of the new therapy, currently underway across Europe.



Low-cost arthritis drug can treat blood cancer

A breakthrough study by the University has shown that an inexpensive arthritis drug – on the World Health Organisation’s list of essential medicines – significantly reduces symptoms associated with blood cancers.

Professor Martin Zeidler (Department of Biomedical Science) led the study with Dr Sebastian Francis (Royal Hallamshire Hospital) and partners from the universities of Oxford and Cambridge. Their discovery could improve quality of life for patients around the world.

Our flagship research institutes

Academics from our **Institute for Sustainable Food** and from our **Grantham Centre for Sustainable Futures** are collaborating with Syrian refugees living in the Za’atari camp in Jordan on a project to design and manufacture PPE.

With the help of Professor Helen Storey (University of the Arts London), The People’s PPE uses low-cost, locally sourced materials to make masks, shields and gowns that can be repurposed after the pandemic. Using printing and sewing facilities in the UK as well as in the camp, the work is creating training and employment opportunities, keeping people safe and reducing plastic waste.

Researchers from our **Energy Institute** will join colleagues from the University of Strathclyde on an £8 million programme to reduce the environmental impact of aviation and gas turbine engines (GTEs). The project is funded by the Engineering and Physical Sciences Research Council (EPSRC) and backed by Rolls-Royce, Siemens Energy, OptoSci, M Squared Lasers and Tracerco.

Two nuclear engineers from our **Energy Institute** have been chosen to advise the government on nuclear waste management. Professor Neil Hyatt and Dr Claire Corkhill

have years of experience developing and evaluating solutions for the long-term storage of nuclear waste. As members of HM Government’s Advisory Committee on Radioactive Waste Management, they will report to the Secretary of State for Business, Energy and Industrial Strategy.

Experts from two of our flagship institutes have discovered proteins that can repair breaks in DNA that cause cancer and motor neurone disease. Professor Sherif El-Khamisy of the **Healthy Lifespan Institute** collaborated with scientists from our **Neuroscience Institute** and from Oxford University on the study. Their findings could also be used to repair DNA breaks in cancer patients caused by chemotherapy.

In February 2020, the University was awarded the Queen’s Anniversary Prize Medal in recognition of the work done by the **Sheffield Institute for Translational Neuroscience (SITraN)**. Part of our **Neuroscience Institute**, SITraN works to improve outcomes for people living with neurodegenerative diseases. Its achievements include a new orthotic device for patients living with motor neurone disease, groundbreaking stem cell clinical trials for multiple sclerosis sufferers and drug discovery programmes to develop treatments for Parkinson’s disease.

Innovation



Our multi-disciplinary work at the frontiers of knowledge continues to improve lives, driving developments in all areas of industry and society.

Quantum leap

The University of Sheffield has launched a new centre for the development of quantum technologies, a high priority area for the UK. The Sheffield Quantum Centre, officially opened in January 2020, focuses on developing communications technologies and quantum computers with world-changing capabilities.

Led by physicist Professor Maurice Skolnick, the centre also houses a £2.1 million piece of equipment that grows semiconductor materials with quantum technology applications. A spin-out company has already been formed to help commercialise the research with a second company in development.

Modulus Oncology incorporated

Professor Tim Skerry and colleagues in the Department of Oncology and Metabolism have been working with a team of biotech entrepreneurs to get a vital new drug into clinical testing within the next two years. Their company, Modulus Oncology, was incorporated in July 2020.

Professor Skerry has received support from the University's intellectual property development and commercialisation fund and from the Connecting Capability Fund: Northern Triangle Initiative, to develop the drug, which could improve life expectancy and quality of life for patients with pancreatic cancer.

Confidence in our concepts

A consortium comprised of the University, Sheffield Children's NHS Foundation Trust, Sheffield Teaching Hospitals NHS Foundation Trust and Sheffield Hallam University has won a further £3.5 million (its eighth round of funding) from the Medical Research Council's (MRC) Confidence in Concept scheme.

A key part of the MRC's translational research strategy, the scheme helps to accelerate the transition of new ideas from discovery research to translational development projects. In Sheffield, the four partner organisations are using the money to develop concepts to a point where they can compete for further funding.

Also this year, Insigneo Fellow Professor Julian Gunn has won a £295,000 British Heart Foundation Translation Award to continue with product development of VIRTUheart, which uses computational fluid dynamics and virtual reality technology to provide detailed, non-invasive assessments that help doctors treat coronary artery disease.

AMRC news

Our world-famous Advanced Manufacturing Research Centre (AMRC) will build and equip a new £20 million facility in the heart of Lancashire's Samlesbury Aerospace Enterprise Zone. The University of Sheffield **AMRC North West** will work with academic and industrial partners in the region focusing on vehicle electrification, battery assembly and lightweighting technologies.

Since it was announced, the new centre has won a further £9.5 million in funding to develop a **5G Factory of the Future** programme. The funding was awarded by the Department for Digital, Culture, Media and Sport as part of the government's £200 million investment in 5G facilities.

Also in 2020, a new model for sustainable, affordable homes, developed by HLM Architects with the support of the AMRC, was shortlisted for the **RIBA Home of 2030** award. The ForEva Home concept harnesses robotics and augmented reality technology to solve many of the issues associated with off-site construction and set a new design standard.

Finally, as people around the world strive to deal with the disruption caused by Covid-19, one project in particular has captured the spirit of the times. Working with robotics company i3Dr, the AMRC has developed a **virtual reality operating theatre**. The Stereo Theatre project enables surgeons to observe operations remotely and can also be used to train medical students.

Sustainable steel

The University will join SUSTAIN, a £35 million research partnership with Swansea University, University of Warwick, Sheffield Forgemasters and others that will transform the UK steel sector. Supported by a £10 million investment from the Engineering and Physical Sciences Research Council (EPSRC), the group's research will drive the transition to a greener, smarter supply chain.

Three-dimensional impact

Colleagues in the Department of Materials Science and Engineering have secured £1.2million from UK Research and Innovation (UKRI) to develop a microscope facility that will advance our understanding of the structure of materials. This will drive the development of new and better materials that could have a profound impact in areas such as energy and the environment, 3D manufacturing and biomaterials.



Translational Energy Research Centre (Innovation)

New materials to fight MRSA

A team of researchers from the Department of Mechanical Engineering and the School of Clinical Dentistry have manufactured a 3D-printed material that could stop the spread of infections such as MRSA. Their findings have potential applications in general hospital use as well as in medical devices, children's toys and oral health products.

Prototype to detect oral cancer

Zillico Ltd, a company born out of a partnership between our Insigneo institute, the School of Clinical Dentistry and Sheffield Teaching Hospitals, is developing a device that offers a non-invasive method for detecting oral cancer. The team has secured £1million in funding from SBRI Healthcare to develop the prototype.

Radiocarbon dating recalibrated

In a development that will have a huge impact in areas such as heritage, conservation and climate change modelling, Sheffield scientists, including Dr Tim Heaton from the School of Mathematics and Statistics, have helped to improve the technique of radiocarbon dating.

The seven-year project saw a team from the universities of Belfast, Bristol, Glasgow, Oxford, Sheffield and St Andrews, plus international colleagues, recalculate the mathematical curves used in radiocarbon dating to make the process more accurate.

Next generation materials research

Construction of the new Royce Discovery Centre at Portobello Street was completed in July 2020. The centre, which will transform the way materials research is carried out at Sheffield, is expected to be fully operational in 2021.

Researchers will work in tandem with the Royce Translational Centre, applying new discoveries to real manufacturing challenges. Together, the two centres will also train the next generation of materials scientists.

Our expertise attracts new fusion energy facility

The UK Atomic Energy Authority (UKAEA) is building a £22 million facility for fusion energy research in our region, to capitalise on University of Sheffield expertise. The new facility, set to create 40 highly skilled jobs, will be part of the Advanced Manufacturing Park near Rotherham.

Fusion energy is a potentially world-changing form of low-carbon electricity. This new facility will see the UKAEA work closely with our AMRC and Nuclear AMRC to develop and test the technologies that could make it possible.

Our commitment to the region

Innovation drives growth. And our commitment to the Sheffield City Region is as strong as ever.

The Sheffield Innovation Programme (SIP), a partnership with Sheffield Hallam University, provides consultancy services for SMEs that need access to academic expertise and facilities in order to grow.

Recent SIP successes include Firma Engineering Limited's collaboration with our robotics experts to develop a sophisticated drone to help with the clean-up of nuclear facilities. A project with Catal International Limited used our advanced scanning and electron microscopy facilities to assess a groundbreaking new product.

Translational Energy Research Centre

Funded by £7 million from the Department for Business, Energy and Industrial Strategy and £10 million from the European Regional Development Fund, our Translational Energy Research Centre is providing businesses with expert advice and facilities for research and development. As the UK works towards a clean energy future, this national testing facility will play a vital role.

We're also helping businesses find the talent they need. Our award-winning RISE programme with Sheffield Hallam, now revamped and relaunched with European funding, will help over 200 businesses to employ 330 graduates by 2022.

Innovation drives culture too. Thanks to Sheffield's vibrant creative industries and the world-class reputation of our Faculty of Arts and Humanities, with its particular flair for public engagement, Sheffield was chosen as the hub for the nationwide Being Human festival in 2019.

Education

Reputation and rankings

The Times Higher Education (THE) World University Rankings 2020 places us 14th in the UK and 117th in the world. The QS World University Rankings 2021 places us 16th in the UK and 93rd in the world.

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.

National Student Survey (NSS)

The survey went ahead as planned in 2020, despite the coronavirus pandemic. Overall satisfaction was 85 per cent, two per cent higher than the national (and Russell Group) average.

Sheffield was ranked number one in the Russell Group for student satisfaction in 12 subjects, including East Asian studies, computer science, dentistry, journalism and materials technology.

Student voice

Our award-winning Students' Union also performed well in the NSS, being rated number one in the Russell Group and third in the UK for effective representation of its members' academic interests. Satisfaction in this area was 18 per cent higher than the sector average.

Elevate: learning and teaching

September 2019 saw the relaunch of Elevate, our one-stop shop for staff looking for practical help with learning and teaching enhancement. Elevate incorporates existing activities such as staff development for digital learning, the Sheffield teaching assistant workshop programme and Higher Education Academy accreditation to offer a comprehensive range of support, which also includes online resources covering essential elements of teaching.

Widening access for the public good

A new programme, launched in September 2019, is encouraging students from communities with low participation in higher education to study medicine at Sheffield. The programme, which also makes provision for care leavers and students living with disabilities, attracted 100 applications. Fifteen students were awarded scholarships to help with their fees.

Widening access to the Department of Music also received a boost this year in the form of five new scholarships per year, thanks to a generous bequest from one of our alumni.

The Mary Lill scholarships are aimed at students from low-participation areas. At least one of the two postgraduate awards will go to a UK Black, Asian and Minority Ethnic (BAME) candidate.

In partnership with the Elephant Group, which encourages state school pupils to apply to Russell Group universities, we helped deliver a virtual summer school for over 170 pupils, many of them from under-represented groups. Feedback was overwhelmingly positive, with 66 per cent asking for further information about applying. 25 per cent said they would or were very likely to apply in 2021.

These programmes, and others like them, are helping people from all backgrounds achieve their full potential. They also help to encourage vital diversity of talent across all sectors, including the arts and medicine.

Strengthening our commitment to care leavers

A major new study by researchers from our Health Sciences School highlights the challenges care leavers face when they come to university. In line with its findings, we're improving our offer to care leavers and encouraging other universities to do the same.

Funded by the Leverhulme Trust and the Economic and Social Research Council (ESRC), the research engaged with 234 students, at universities across the UK, through in-depth interviews and surveys. The results give us insight into every stage of a care leaver's journey, from making the transition to university, to studying, graduation and beyond.

While the students highlighted several areas where universities were doing well, they also raised a variety of issues, including the prevalence of drugs and alcohol in student culture, which brought back difficult memories for some. 51 per cent of all participants said they had seriously considered dropping out of university at some point.

Researchers Dr Katie Ellis and Claire Johnston have teamed up with the Care Leaver Covenant, an initiative that helps organisations of all kinds to support care leavers, to turn their findings into a series of policy recommendations for universities. The University of Sheffield is leading the way.

Our improved offer is focused on access and embedded support such as contextual admissions processes that take a student's life experience into account, affordable year-long accommodation contracts and training for all student-facing staff. Final-year support includes enhanced careers advice, counselling and help finding post-uni accommodation.



A new kind of work placement

We're changing the way we think about work placements for arts and humanities and social sciences students. Working with partners across a range of sectors, including arts organisations and the creative industries, we've developed a new kind of placement that delivers high quality work experience and real societal benefits.

We've been awarded £530,000 by Research England and the Office for Students to create 140 new placements focused on the planning, design and general reinvention of public spaces. The placements will also aim to engage students from widening participation backgrounds to enhance equality, diversity and inclusion in industry and give everyone a say in the future of our cities.

This groundbreaking initiative enables students to work on knowledge exchange projects, to apply what they've learned in follow-up projects with businesses and help the University develop entrepreneurial opportunities.

Global employability

The Global Engineering Challenge week helps our young engineers develop vital transferable skills in problem solving, teamwork, design, communication and global awareness.

Every first-year student in the faculty takes part in the challenge, working in teams to tackle real world problems from a global perspective. It's an experience that sets the tone for the rest of their studies and puts them on a path to becoming ethical, responsible professionals.

Our approach produces engineering graduates who are ready for anything. They have a clear vision of how their decisions will help protect and shape the environment and improve lives. And they're capable of working anywhere in the world.

Working with the city

Here at home, physics undergraduates Connor Sheppard, Matthew Rowland and Jordan Foster have been using physics and programming skills to help the local government tackle the problem of low-skilled unemployment.

For their third-year industrial project, the group worked directly with Sheffield City Region to build a computer model that identifies potential locations in which to create new low-skilled jobs.

The project was one of many that take place every year, inspiring each generation of students to apply their skills in sectors they might not otherwise have considered, and balancing our support for students' development with our commitment to the region.

Student numbers

Student recruitment

Home undergraduate recruitment numbers remained stable in 2019–20. Levels of recruitment from state schools and low-participation areas were sustained. The overall quality of our new cohort, in terms of grades, was higher than in the previous year. International recruitment was significantly above target despite an uncertain climate. Increased numbers from existing and emerging markets brought greater diversity to our community.

Full-time students

Faculty	Undergraduate			Postgraduate			Total
	Home/EC	Overseas	Sub total	Home/EC	Overseas	Sub total	
Faculty of Arts and Humanities	2,058.0	116.5	2,174.5	351.0	489.0	840.0	3,014.5
Faculty of Engineering	3,134.0	1,257.0	4,391.0	478.0	1,401.0	1,879.0	6,270.0
Faculty of Medicine, Dentistry and Health	2,348.0	146.0	2,494.0	488.0	356.0	844.0	3,338.0
Faculty of Science	2,749.5	424.5	3,174.0	703.0	308.0	1,011.0	4,185.0
Faculty of Social Sciences	3,735.5	1,237.0	4,972.5	1,008.0	3,508.0	4,516.0	9,488.5
Advanced Manufacturing Research Centre	74.0	–	74.0	–	3.0	3.0	77.0
Department for Lifelong Learning	152.0	–	152.0	–	–	–	152.0
Grand total	14,251.0	3,181.0	17,432.0	3,028.0	6,065.0	9,093.0	26,525.0

Part-time students

Faculty	Undergraduate			Postgraduate			Total
	Home/EC	Overseas	Sub total	Home/EC	Overseas	Sub total	
Faculty of Arts and Humanities	34.5	2.5	37.0	197.0	12.0	209.0	246.0
Faculty of Engineering	50.0	37.0	87.0	55.0	20.0	75.0	162.0
Faculty of Medicine, Dentistry and Health	109.0	3.0	112.0	621.0	85.0	706.0	818.0
Faculty of Science	54.5	11.0	65.5	61.0	7.0	68.0	133.5
Faculty of Social Sciences	40.0	17.5	57.5	823.0	51.0	874.0	931.5
Advanced Manufacturing Research Centre	46.0	–	46.0	1.0	–	1.0	47.0
Department for Lifelong Learning	16.0	–	16.0	–	–	–	16.0
Grand total	350.0	71.0	421.0	1,758.0	175.0	1,933.0	2,354.0

Additional students

Students on year abroad including Erasmus	430.0
Students on work/industrial placements	408.0
Total	838.0

First degree award classifications

Faculty	1	2.1	2.2	3	Pass	Total
Faculty of Arts and Humanities	265	509	35	1	6	816
Faculty of Engineering	620	462	139	12	18	1,251
Faculty of Medicine, Dentistry and Health *MB ChB & BDS do not follow the same class structure	70	57	18	2	314	461
Faculty of Science	435	481	114	11	9	1,050
Faculty of Social Sciences	490	729	140	8	42	1,409
Board of Extra Faculty Provision	–	–	1	–	–	1
Grand total	1,880	2,238	447	34	389	4,988

Certificates and Diploma awards

Faculty	Diploma	Cert	Total
Faculty of Arts and Humanities	1	–	1
Faculty of Medicine, Dentistry and Health	25	9	34
Faculty of Science	–	11	11
Total	26	20	46

Celebrating our people

To all our staff, thank you for your outstanding contribution this year. Here are just a few examples of your personal and professional achievements.

Dr Claire Corkhill

Department of Materials Science and Engineering
Awarded Pam Liversidge OBE Award for Engineering at the Inspirational Women of Sheffield Awards 2020.

Maria de Souza

Partnerships and Regional Engagement team
Awarded the Sarah Nulty Award for Creativity Inspirational Women of Sheffield Awards 2020.

Professor Meihong Wang

Department of Chemical and Biological Engineering

Dr Mathew Aneke

Former postdoctoral researcher
Awarded the Nigeria Prize for Science 2019 in recognition of their research on carbon capture, CO₂ utilisation, biomass gasification and energy storage.

Professor Kirill V Horoshenkov

Department of Mechanical Engineering
Elected Fellow of the Royal Academy of Engineering.

Dr Guillaume Hautbergue

Department of Medicine, Dentistry and Health
Elected Fellow of the Royal Society of Biology.

Dr Rachel van Duyvenbode

School of English

Dr Pete Mylon

Department of Multidisciplinary Engineering Education
Awarded National Teaching Fellowships by Advance HE for the outstanding impact of their teaching and support in UK higher education.

The Student Employability Development team

Dr Gordon Cooper – Department of Biomedical Science
Neil Everill – Department of Biomedical Science
Allison Clay – Careers Service
Dr Graham McElearney – Digital Learning Team
Johnny Hooton – Creative Media Service
Received a Collaborative Award for Teaching Excellence (CATE) for their multifaceted approach to embedding employability in the curriculum.

Professor Steve Armes

Department of Chemistry
Awarded the Royal Society of Chemistry's Soft Matter and Biophysical Chemistry award for his pioneering contributions in developing biocompatible polymers.

Professor Prem Sikka

Chair in Accounting and Finance in the Management School
Nominated for a Peerage of the United Kingdom for Life, meaning he is to become a member of the House of Lords.

Professor Richard J Ross

The Department of Oncology and Metabolism
Awarded the 2021 Outstanding Innovation Laureate Award from the Endocrine Society.

Emeritus Professor Keith Branigan

Department of Archaeology
Awarded the 2020 British Academy the Landscape Archaeology Medal.

Dr Maria Val Martin

Dr Holly Croft

Department of Animal and Plant Sciences

Dr Dikai Guan

Dr Dan Cogswell

Department of Materials Science and Engineering
Recognised for conducting outstanding research which is at the forefront of innovation in the UK.

Kirsty Smitten

Department of Chemistry
Named in the Forbes 30 Under 30 Europe 2020: Science and Healthcare list for her work in antimicrobial resistance.

Professor Helen Rodd

Professor and Honorary Consultant in Paediatric Dentistry at the Sheffield School of Clinical Dentistry
Awarded an MBE in the Queen's Birthday Honours list 2020.

One University

Race equality strategy

Since the launch of our race equality strategy and action plan in 2019, we've introduced a raft of measures designed to raise awareness of issues and improve inclusion. These include diversity and inclusion training for staff, student ambassadors and societies.

All new students now take part in a three-phase race equality programme which includes conversations exploring key issues in more detail. The Student Recruitment, Marketing and Admissions team are working nationally to encourage more students from Black, Asian and Minority Ethnic (BAME) backgrounds to choose Sheffield. Our access and participation plan now includes targets aimed at reducing the attainment gap.

Last year saw the launch of Report and Support, a new platform which enables staff and students to report any incidences of harassment, bullying, racial discrimination, abuse or sexual violence, and to access support.

Gender equality

The University continues to strive for gender balance across all of its activities. Our gender equality committee, a sub-committee of the University Council's equality, diversity and inclusion committee, oversees the development of our Athena SWAN action plan and supports departments to achieve gender equality objectives.

In 2020, we launched the White Rose Gender Equality College, a partnership with the universities of Leeds and York. Aimed at colleagues working in research, the college highlights global gender equality issues and gives staff the tools and the confidence they need to address them.

A Stonewall Top 100 Employer

We were ranked 11th in Stonewall's Workplace Equality Index 2020. The index is the definitive benchmarking tool for measuring employers' progress on LGBT+ inclusion in the workplace. This year's ranking is our highest position to date. We were also named as a Top Trans Inclusive Employer.

Mental health and wellbeing

In 2020, we signed up to the Mental Health at Work Commitment, a framework of standards based on the most up-to-date research, that helps employers improve the mental health and wellbeing of their staff.

In line with our new commitment, the University is also taking part in MIND's Mentally Healthy Universities Pilot Programme. Over the next year, teams from Human Resources and Student Support Services will work with staff and students to identify strategies that will shift the focus of our mental health support towards understanding, nurturing good mental health and early intervention.

A new campaign promoting good mental health and related support services has been well received. Our **University Mental Health Week** saw a series of events held across campus and online in October 2019. The Facebook page alone reached over 11,000 people.

As students and staff geared up for the **January 2020 exams**, we launched a second campaign to raise awareness of mental health issues and give students the tools to address them if they need to.

Sport Sheffield offered discounts on memberships, day passes and stressbuster sessions, while Student Support Services ran a mindfulness session. The University Library provided dedicated online support during exams, as well as meditation sessions in the Information Commons.

Our Student Access to Mental Health Support service and our accredited University Counselling Service continue to provide students with access to clinical assessments, treatments and interventions. These services work closely with the University Health Service and the NHS.

Our new **Student Wellbeing Service** launched in April 2020, offering support to all students via faculty-based advisors. Through education, skills development and one-to-one support, the new service complements existing provision.

Action on sustainability



Education for Sustainable Development

Following conversations with student campaigners and academic staff, the University has signed contracts with Bryt Energy, a fully renewable energy supplier. This means all our research, teaching and administrative buildings, including the AMRC, will now be powered by solar, hydro and wind – reducing CO₂ emissions by approximately 17,000 tonnes per year.

The University has also pledged to become net carbon neutral on campus by 2030 and across all its activities by 2038. It's an ambitious target but the climate emergency demands ambitious, science-led action and we are determined to help lead the way.



The Engineering Heartspace



The Transformer

Education for sustainable development

Our students demand action on sustainability. They want to learn the skills they'll need to address the climate emergency and related sustainability challenges. So we're working to embed Education for Sustainable Development (ESD) in the curriculum.

ESD draws on a holistic definition of sustainability, as set out by the UN's Sustainable Development Goals (SDGs). This means our students will see the big picture. They'll learn how economic and social strategies must work hand in hand with environmental protections to build a sustainable future. They will also learn how their subject knowledge can be connected to the SDGs and applied to specific challenges.

We want ESD to be part of all our taught courses within the next five years. To make sure our provision is fit for purpose, we're working with staff and students, talking to colleagues from across the sector and looking closely at examples of best practice.

Ten years of Green Impact

This year we celebrated the 10th anniversary of our staff sustainability campaign with some inspiring projects, including a community fridge for our student residences, a green living guide for student landlords, inter-departmental swap shops and a student competition to design a biodigester.



Estates update

In January 2020, staff and students began to move into the new **Engineering Heartspace**, a spectacular building that combines labs with an employability hub, offices and social space. The project triumphed at the Royal Institute of Chartered Surveyors Social Impact Awards 2020, Yorkshire and Humber, coming top in the education category.

West of campus, work has begun on our most ambitious project to date in terms of sustainability. **The Faculty of Social Sciences** building aims to achieve the highest rating possible via the Building Research Establishment Environmental Assessment Method (BREEAM).

The building is designed to facilitate interdisciplinary work and will act as a hub for the Faculty of Social Sciences. Innovative use of glass maximises natural light and reduces the amount of lighting required. Geothermal heat pumps will provide clean energy and keep the building cool during warmer months.

Following delays caused by an issue with the foundation piling (materials that form the deep foundation of the structure), the building will open in 2022, approximately 18 months later than planned. The University will not incur any additional construction costs as a result of the delay.

Designed to facilitate collaboration and nurture mental wellbeing, the new building will provide a much-needed hub where staff and students from the faculty's 13 departments can work together on interdisciplinary projects.

Alongside this work, we've also invested in a new energy centre including a combined MWe heat and power engine to ensure our research facilities have a back-up energy supply in case of outages. The energy centre, known as **the Transformer**, is now operational.

Alumni and philanthropy

Volunteering

Last year, 863 alumni from 47 countries gave 8,985 hours of their time to help the University. More than 5,000 students benefited from their efforts. Alumni mentors were found for 444 students on the Careers Service eMentoring programme.

Eighty-six alumni and industry experts joined our Global Engineering Challenge and Engineering You're Hired project as mentors and assessors. Our Northern City Connections event introduced arts and humanities students from widening participation backgrounds to successful alumni who have built their careers in the north.

Since the lockdown, we've converted many of our face-to-face activities to online events. The response has been incredible. Alumni volunteers have been helping with everything from online open days to virtual networking events and working with the class of 2020 on our new graduate programme The Boardroom.

Global alumni events

Over 400 international alumni attended events last year in locations around the world, including China, Ireland, Malaysia and the USA. Over 100 alumni gathered for the annual Helen Sharman lecture, while 1,500 registered for 200 places at the House of Lords reception hosted by Lord Blunkett.

Giving

The University received £8,718,634 in income from philanthropic support in 2019–20. These gifts are helping to power research and provide opportunities for hundreds of talented students.

Scholarships

This year, fundraising activity generated £1,172,000 to support over 300 students from a range of backgrounds starting their degrees in 2020–21. In the last five years, over 1,200 students have received undergraduate and master's scholarships.

The students may come from lower-income or disadvantaged families, be the first in their family to go to university or have no family support at all. Receiving a scholarship can change the course of a person's life forever.



Desert Garden appeal

Fundraising appeals and community involvement

Our Desert Garden appeal has raised £233,672 to help refugees at the Za'atari camp grow their own food more sustainably, using methods developed by Sheffield scientists. Hundreds of donors were inspired to protect the future of this groundbreaking collaboration between Sheffield scientists and Syrian refugees.

Through various appeals, 1,784 generous donors raised £250,000 to boost the University's world-leading research on Parkinson's disease. When the Big Walk 2020 was postponed, we created the Big 30 Challenge. Sixty fundraisers took part in challenges throughout June and raised an additional £29,712.

Legacies



Monica and Morris Walker

The University received £550,000 from legacy gifts in 2019–20, helping to support projects including the Desert Garden appeal, medical research, scholarships and the Disabled and Dyslexia Support Service. Donations included £10,000 from former staff members Monica Walker (Faculty of Law) and Morris Walker (Department of Probability and Statistics) to support students suffering hardship.

Global engagement

International mobility

Our participation in the British Council's UK–China Outward Mobility Partnership Fund is helping to strengthen our already close links with the University of Nanjing. The fund helps institutions collaborate on shared goals and increase the exchange of students and staff between the two countries.

Also in 2019–20, the Global Engagement team secured €300,622 from the European Commission to support student and staff exchanges between Sheffield and our partner institutions the University of Ghana and Universidad Federal Minas Gerais (Brazil). This will support 83 staff and students.

Global opportunities

Although not everyone who was selected was able to take up their place because of the coronavirus pandemic, last year saw an overall increase in applications for international opportunities:

^25%

Global Opportunities Fair attendance

^40%

Funded opportunities for Sheffield students

^15%

Students choosing time abroad in non-EU countries

^85%

Students choosing non-traditional destinations

^26%

Staff selected for global mobility schemes

314

students funded by Erasmus to study or work in Europe (2019–20)



Our University at a glance

Officers of the University Session 2019–20

The Chancellor

The Rt Hon Lady Justice Rafferty, DBE, PC, QC, LBB,
Hon LLD

The Pro-Chancellors

Mr A P Pedder OBE (Chair of Council)
Ms A M Hope
Mr R Mayson

The Treasurer

Mr 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 and Innovation (up to 31 December 2019):
Professor D N Petley
Research (from 1 January 2020): Professor S Hartley (OBE)
Innovation (from 1 January 2020): Professor D N Petley
Education: Professor C W Morgan

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 2019–20

Ex-officio members

The Pro-Chancellors
The Treasurer
The President and Vice-Chancellor

Persons appointed by the Council

Mr D J Bagley, Mr A Belton, Dr K Layden, Dr J Nicholls,
Mr S Sly, Mr A P W Wray, Ms C Brownlie

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 C W Morgan
Professor D N Petley

Three members of the Senate elected by the Senate

Professor L Maltby, Professor J Brazier, Dr D Forrest

The President of the Students' Union

Mr J Verity (to 30 June 2020), Ms B Eyre (from 1 July 2020)

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

Miss G Hague

Secretary to the Council

Dr T Strike

Faculties and departments

Arts and Humanities

Archaeology, English, History, Languages and Cultures,
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

Animal and Plant Sciences, Biomedical Science, Chemistry, Mathematics and Statistics, Molecular Biology and Biotechnology, 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

Financial statements 2019–20.

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. 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 2020.

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 reviewed its operation against the OfS Regulatory Framework and the CUC Code, and the initial findings of the latest Council effectiveness review, which commenced in April 2020, 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 undertakes a review of effectiveness every four years, in accordance with the Code.

The University makes the 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 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.

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 comprises lay and professional and academic persons, including a student representative, 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 process for the University Secretary is set out in 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 2020 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 and is considered by Council and 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 Plan goals, and has oversight of the outcomes achieved, direction of travel and distance from ambition, as set out in the Strategic Plan.

- 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 in overseeing the management of strategic risks 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. The Research Ethics Committee of Senate provides specific assurance over ethical matters associated with research activities.
 - k. The University commissioned a review of Council effectiveness during 2019-20, using an external third party law firm to advise and report. These reviews will be carried out at four 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 with 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 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, Value for Money (VfM). In the 2019-20 session a number of reviews included VfM themes within the audit objectives. 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.

Risk

The University's processes for managing risk and the roles and responsibilities of individuals and groups are set out in the Statement of Internal Control, pages 31-32.

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.

Corporate risks by strategic theme:

Each of the 2019-20 Corporate Risks and their corresponding Strategic Theme(s) from the Strategic Plan 2016–21 are listed below:

Risk summary	Risk statement	Examples of controls and actions	Strategic theme(s)
The external environment and our ability to influence and respond	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.	<p>The University is undertaking a series of risk mitigating actions to ensure long term cash resilience, meet bank covenant requirements and OfS requirements, considering upside and downside scenarios / sensitivities, to allow us to respond to the external environment.</p> <p>The University has a Brexit Coordination Group which manages the risks and actions to the University of the UK and the EU not reaching an agreement on their future relationship by the 31 December 2020.</p> <p>The University responds to OfS and other consultations.</p> <p>A review of the effectiveness of Council ran from April to October 2020.</p> <p>A Covid-19 Management Group was established to deal with the major impact of the virus on all aspects of the University.</p>	<ol style="list-style-type: none"> 1. Our Education and Student Experience 2. Our Research and its Impact 4. Our Place: Locally and Globally 5. Our Public Responsibility
Ensuring high-quality education and a high-quality student experience	If we do not maintain a range of high-quality education, and if we do not ensure a high-quality student experience, then there may be detrimental impacts on the University's reputation and financial stability.	<p>The University is developing its response to the Covid-19 outbreak, considered the implications for student recruitment and the student experience, and the resumption of certain activities on campus. Senate has received an update on how academic standards and the student experience is being maintained, to consider and assure Council in July 2020 in respect of the OfS regulatory conditions.</p> <p>The University has developed a recovery plan for Education and a plan for Clearing and admissions activities in the summer of 2020 was devised for both domestic and international students.</p>	<ol style="list-style-type: none"> 1. Our Education and Student Experience
Ensuring high-quality research	If an appropriate level of high-quality research output (equating to 4* in REF) is not achieved, based on a range of research grant funding, and if we do not respond to the changing international research landscape, then there may be adverse impacts on the University's reputation and financial stability.	The first wave of four Flagship Institutes has been launched and individual launches for specific stakeholder groups have been organised. An approach to annual assessment of achievement of success against objectives has been agreed, overseen by the Senate Research and Innovation Committee.	<ol style="list-style-type: none"> 2. Our Research and its Impact
Developing and maintaining our research portfolio	Newer UK research funding streams require an interdisciplinary, collaborative approach which offer the opportunity to work with partners, grow research income and demonstrate academic, economic and social impact.	Grant opportunities from a range of funders are monitored and prioritised, and information is disseminated via Faculty teams.	<ol style="list-style-type: none"> 2. Our Research and its Impact 3. Our Strategic Partners
Maintaining fit-for-purpose infrastructure	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.	Additional infrastructure solutions introduced to support remote teaching/working in response to Covid-19.	<ol style="list-style-type: none"> 1. Our Education and Student Experience 2. Our Research and its Impact
Ensuring fit-for-purpose systems	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 and excellence in research may be adversely affected.	<p>The University is investing in its student systems and the programme plan is approved and reviewed by UEB and Council.</p> <p>Key IT risks are managed through a series of decided projects.</p>	<ol style="list-style-type: none"> 1. Our Education and Student Experience 2. Our Research and its Impact
Maintaining cyber and information security	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.	<p>Aspects of the University's Cyber programme have been reprioritised to ensure secure support for remote working/teaching.</p> <p>IT Services have prioritised the development of Mobile Device Management and Endpoint management solutions to ensure that systems and computers are protected.</p>	<ol style="list-style-type: none"> 1. Our Education and Student Experience 2. Our Research and its Impact

Risk summary	Risk statement	Examples of controls and actions	Strategic theme(s)
Developing and maintaining strategic partnerships and commercial opportunities	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.	The University has developed a series of proposed national and international partners. Online and virtual meetings are being planned to replace numerous inbound and outbound cancelled visits and trips. Ethical governance guidelines have been updated these are reviewed annually.	3. Our Strategic Partners
Supporting environmental sustainability	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.	A working group is reviewing the University's principles for space management. The University has established Task & Finish groups to consider how and when the University will achieve carbon neutrality, including risks and opportunities from the impact of Covid-19.	5. Our Public Responsibility
Financial sustainability	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.	The University is already experiencing income reductions in 2019–2020 from Covid-19, and financial uncertainties are continuing in 2020–2021. As a consequence it is developing actions regarding capital and revenue expenditure to ensure we remain cash resilient and compliant.	6. The Challenge of Resource
Organisational change	If the University does not effectively manage organisational change, then staff will disengage, which might impact negatively on the University's operations, and even reputation of the University as an employer of choice.	The University's departmental Executive Team Development Programme has been re-designed and in April 2020 was re-adjusted to deliver support to leaders during the Covid-19 crisis.	7. The Power of People
Preparing for/responding to industrial action	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 and on its reputation.	Proactive and regular communications and meetings were scheduled with trade unions throughout the Covid-19 pandemic to discuss changes to working practices and arrangements introduced.	7. The Power of People
Developing a diverse staff base	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 fourth set of Gender Pay Gap data has been run and the Gender Pay Gap Action Plan is being refined. Updated ED&I training for staff will be rolled out that includes a mandatory e-learning module and more intensive and specific training based on specific requirements of staff roles.	7. The Power of People
Facilitating a high performance culture	If we implement the full range of HR policies and processes effectively then we will optimise a high performance culture.	An Academic Career Pathways (ACP) framework was developed and launched in the 2018–2019 academic year. A staff mental health strategy has been agreed by Council and work has been aligned with the student mental health strategy.	7. The Power of People
Managing the impact of a Covid-19 outbreak	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.	The University has liaised with Peers, MPs, Russell Group, Universities UK, AHUA and others to seek to influence the development of HE policy in response to the Covid-19 outbreak. Corporate Communications, Student Recruitment and Admissions and Global Engagement are working to issue information on the University's response to the Covid-19 outbreak and deliver positive, supportive messages internally and externally.	1. Our Education and Student Experience 2. Our Place: Globally and Locally 3. The Challenge of Resource

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 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 Council is 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; and
- 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 proper accounts and proper records in relation to the accounts. 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; and
- 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 2020 which comprise the Group and University Statement of Comprehensive Income, Statement of Changes in Reserves, 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 2020, 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;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model, and analysed how those risks might affect the Group and the University's

financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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

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 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.

Council responsibilities

As explained more fully in their statement set out on page 35, 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

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; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the 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, 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. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The Financial statements have been prepared in accordance with the Accounts direction issued by the Office for Students (OfS) Regulatory Advice 9 – Accounts direction – OfS 2019-41. The financial statements are prepared in accordance with 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 considered cash flow forecasts for a period of 19 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 research income due to the potential risk of suspension of research projects, reductions to student intake numbers and the resulting accommodation vacancies, and increasing costs due to a number of potential COVID-19 related fallout 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.

2. Basis of consolidation

The consolidated financial statements include the University and its main subsidiaries for the financial year to 31 July 2020. 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.

The consolidated financial statements do not include the income and expenditure of the Union of Students 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.

3. Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

Grant funding

Grant funding including Office for Students 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.

4. 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. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities

of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

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 FRS 102.

A small number of staff have joined other pension schemes:

NHSPS is a multi-employer defined benefit scheme, which the University has accounted for as a defined contribution scheme, and the amount charged to the statement of comprehensive income and expenditure represents the contributions payable to the scheme in respect of the accounting period.

FSSU is a money purchase scheme contracted into the State Second Pension (S2P). Contributions to this scheme have ceased.

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 should recognise 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.

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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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 Statement of Financial Position 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 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 Statement of Financial Position 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.

10. 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 amortised on a straight line basis over five years.

11. Tangible fixed assets

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 31st July 2020 by Gerald Eve LLP, Chartered Surveyors.

A valuation of investment properties was carried out as at 31st July 2020 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 2020 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 2020 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.

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.

12. 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.

13. 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 Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued on a regular basis.

Investment properties are disclosed within fixed assets in note 13.

14. 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.

15. Stock

Stock is held at the lower of cost and net realisable value.

16. 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.

17. 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; and
- 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.

18. 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.

19. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance

Act 2010 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 Statement of Financial Position date.

Deferred tax is provided in full on timing differences that exist at the Statement of Financial Position 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 Statement of Financial Position 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.

20. 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.

21. 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 2020.

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 FRS 102, 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.

At 31 July 2020, in order to reflect the impact of proposals by the UK Chancellor and the UK Statistics Authority (UKSA) to align RPI with CPIH (a variant of the Consumer Prices Index that includes an estimate of housing costs), the CPI assumption methodology was reassessed. In particular, the assumed long term gap between RPI inflation and CPI inflation was reduced from 1.0% at the prior year end to 0.5% at this year end. The impact of this change is expected to have resulted in a £45m increase in the Fund's liabilities since the prior year end.

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.
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 FRS 102 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 Statement of Financial Position date has been based on information available for staff who record their annual leave usage on the University's on-line system. This information has been extrapolated to obtain an estimate for all staff.

22. Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in full. Financial assets and financial liabilities are recognised in the University's Statement of Financial Position when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and 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 FRS 102. 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 and expenditure

Year ended 31 July 2020

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Income					
Tuition fees and education contracts	1	354.2	354.2	331.4	331.4
Funding body grants	2	93.4	93.4	86.1	86.1
Research grants and contracts	3	171.0	170.4	183.2	182.6
Other income	5	111.6	106.7	107.1	100.0
Investment income	6	2.1	2.3	2.3	2.4
Donations and endowments	7	5.2	5.2	5.6	5.6
Total income		737.5	732.2	715.7	708.1
Expenditure					
Staff costs - excluding movement in USS provision	8	393.1	388.0	356.0	352.3
Staff costs - movement in USS provision	8	(98.1)	(98.1)	129.9	129.9
Other operating expenses	10	209.4	207.7	222.9	219.9
Depreciation and impairment of fixed assets	12, 13	85.9	85.8	93.4	93.3
Interest and other finance costs	9	18.9	18.9	16.4	16.4
Total expenditure	10	609.2	602.3	818.6	811.8
Surplus/(deficit) before other gains/(losses) and share of operating surplus/(deficit) of joint ventures and associates		128.3	129.9	(102.9)	(103.7)
Gain on disposal of fixed assets		0.2	0.2	0.3	0.5
Loss on investments	15/24	(0.7)	(1.2)	(1.5)	(2.1)
Share of operating (deficit)/surplus in joint venture	16	(0.4)	-	0.1	-
Share of operating deficit in associate	17	(0.3)	-	-	-
Gift Aid		-	2.4	-	1.8
Dividends received		-	0.1	-	-
Surplus/(deficit) for the year before tax		127.1	131.4	(104.0)	(103.5)
Taxation	11	-	-	-	-
Surplus/(deficit) for the year		127.1	131.4	(104.0)	(103.5)
Unrealised surplus on revaluation of land and buildings	13	7.6	7.6	116.7	116.7
Actuarial loss in respect of pension schemes	33	(64.8)	(64.8)	(43.0)	(43.0)
Total comprehensive income/(expenditure) for the year		69.9	74.2	(30.3)	(29.8)
Represented by:					
Endowment comprehensive (expenditure)/income for the year		(0.5)	(0.5)	2.2	2.2
Restricted comprehensive income/(expenditure) for the year		0.1	0.1	(0.2)	(0.2)
Unrestricted comprehensive income/(expenditure) for the year		83.5	86.5	(131.9)	(131.3)
Revaluation reserve comprehensive (expenditure)/income for the year		(13.2)	(11.9)	99.5	99.5
Attributable to the University		69.9	74.2	(30.4)	(29.8)
Attributable to the non-controlling interest		-	-	0.1	-
		69.9	74.2	(30.3)	(29.8)
Surplus/(deficit) for the year attributable to:					
Non controlling interest		-	-	0.1	-
University		127.1	131.4	(104.1)	(103.5)

All items of income and expenditure relate to continuing activities
The accompanying notes and policies on pages 38–43 form part of these financial statements.

Consolidated and institution statement of changes in reserves

Year ended 31 July 2020

	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
Consolidated							
Balance at 1 August 2018	43.8	3.5	470.4	540.8	1,058.5	-	1,058.5
Surplus/(deficit) for the year	2.2	2.2	(108.5)	-	(104.1)	0.1	(104.0)
Other comprehensive (expenditure)/income	-	-	(44.0)	117.7	73.7	-	73.7
Transfers between revaluation and income and expenditure reserve	-	-	18.2	(18.2)	-	-	-
Release of restricted funds spent in year	-	(2.4)	2.4	-	-	-	-
Total comprehensive expenditure for the year	2.2	(0.2)	(131.9)	99.5	(30.4)	0.1	(30.3)
Balance at 1 August 2019	46.0	3.3	338.6	640.3	1,028.1	0.1	1,028.2
(Deficit)/surplus 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	-	-	-	-
Total comprehensive income for the year	(0.5)	0.1	83.5	(13.2)	69.9	-	69.9
Balance at 31 July 2020	45.5	3.4	422.1	627.0	1,098.0	0.1	1,098.1
Institution							
Balance at 1 August 2018	43.8	3.5	471.3	539.4	1,058.0	-	1,058.0
Surplus/(deficit) for the year	2.2	2.2	(107.9)	-	(103.5)	-	(103.5)
Other comprehensive (expenditure)/income	-	-	(44.0)	117.7	73.7	-	73.7
Transfers between revaluation and income and expenditure reserve	-	-	18.2	(18.2)	-	-	-
Release of restricted funds spent in year	-	(2.4)	2.4	-	-	-	-
Total comprehensive expenditure for the year	2.2	(0.2)	(131.3)	99.5	(29.8)	-	(29.8)
Balance at 1 August 2019	46.0	3.3	340.0	638.9	1,028.2	-	1,028.2
(Deficit)/surplus 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	-	-	-	-
Total comprehensive income for the year	(0.5)	0.1	86.5	(11.9)	74.2	-	74.2
Balance at 31 July 2020	45.5	3.4	426.5	627.0	1,102.4	-	1,102.4

Consolidated and institution statement of financial position

Year ended 31 July 2020

	Notes	As at 31 July 2020		As at 31 July 2019	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Non-current assets					
Intangible assets	12	15.0	15.0	9.5	9.5
Fixed assets	13	1,450.8	1,450.6	1,463.1	1,461.6
Investments	15	8.6	45.7	8.9	46.4
Investment in joint venture	16	(0.7)	–	(0.2)	–
Investments in associate	17	(0.3)	–	–	–
Debtors and prepayments due in more than one year	18	0.8	25.6	0.4	27.9
		1,474.2	1,536.9	1,481.7	1,545.4
Current assets					
Stock		1.6	0.2	1.3	0.4
Trade and other receivables	19	91.0	96.5	82.5	82.7
Investments	20	40.0	40.0	40.9	40.9
Cash and cash equivalents	26	120.8	112.7	89.8	82.9
		253.4	249.4	214.5	206.9
Less: Creditors: amounts falling due within one year	21	(200.6)	(202.6)	(203.5)	(203.4)
Share of net liabilities in associate		–	–	–	–
Net current assets		52.8	46.8	11.0	3.5
Total assets less current liabilities		1,527.0	1,583.7	1,492.7	1,548.9
Creditors: amounts falling due after more than one year	22	(167.4)	(219.8)	(171.6)	(227.9)
Provisions					
Pension provisions	23	(261.2)	(261.2)	(292.7)	(292.7)
Other provisions	23	(0.4)	(0.3)	(0.2)	(0.1)
Total net assets		1,098.0	1,102.4	1,028.2	1,028.2
Restricted Reserves					
Income and expenditure reserve - endowment reserve	24	45.5	45.5	46.0	46.0
Income and expenditure reserve - restricted reserve	25	3.4	3.4	3.3	3.3
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		422.1	426.5	338.6	340.0
Revaluation reserve		627.0	627.0	640.2	638.9
		1,098.0	1,102.4	1,028.1	1,028.2
Non-controlling interest		–	–	0.1	–
Total Reserves		1,098.0	1,102.4	1,028.2	1,028.2

The financial statements on pages 38–70 were approved by the Council on 14 December 2020 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 2020

		Year ended 31 July 2020	Year ended 31 July 2019
	Notes	£m	£m
Cash flow from operating activities			
Surplus/(deficit) for the year before tax		127.1	(104.0)
Adjustment for non-cash items			
Depreciation	13	85.9	93.4
Amortisation of intangibles	12	–	–
Loss on investments	15,24	0.8	2.2
Increase in stock		(0.3)	(0.2)
Decrease/(increase) in debtors	18,19	3.7	(0.7)
Increase in creditors	21	4.3	6.9
(Decrease)/increase in pension provisions	23	(96.4)	129.2
Increase in other provisions	23	0.2	–
Share of operating deficit/(surplus) in joint venture	16	0.4	(0.1)
Share of operating deficit in associate		0.3	–
Adjustment for investing or financing activities			
Investment income	6	(2.1)	(2.3)
Interest payable	9	15.8	15.1
Endowment income		(0.4)	(0.9)
Gain on the disposal of fixed assets		(0.2)	(0.3)
Capital grant income		(31.2)	(37.6)
Cash flows from operating activities		107.9	100.7
Taxation		–	–
Net cash inflow from operating activities		107.9	100.7
Cash flows from investing activities			
Proceeds from disposals of fixed assets		1.4	0.6
Capital grants receipts		24.7	37.6
Investment income	6	2.1	2.3
Payments made to acquire fixed assets	13	(78.9)	(102.1)
Payments made to acquire intangible assets	12	(5.4)	(4.1)
New non-current asset investments		–	(0.2)
New deposits		(0.3)	(1.3)
		(56.4)	(67.2)
Cash flows from financing activities			
Interest paid	9	(6.5)	(7.2)
Interest element of finance lease and service concession payments	9	(9.3)	(9.2)
Endowment cash received		1.1	0.9
New unsecured loans		0.6	2.0
Repayments of amounts borrowed		(2.9)	(2.9)
Capital element of finance lease and service concession payments		(3.5)	(3.4)
		(20.5)	(19.8)
Increase in cash and cash equivalents in the year		31.0	15.0
Cash and cash equivalents at beginning of the year	26	89.8	74.8
Cash and cash equivalents at end of the year	26	120.8	89.8

Notes to the financial statements

Note 1 Tuition fees and education contracts

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Full-time home and EU undergraduate students	127.0	127.0	132.7	132.7
Full-time home and EU postgraduate students	13.2	13.2	12.3	12.3
International students	184.8	184.8	149.0	149.0
Home and EU part-time students	3.6	3.6	3.7	3.7
NHS education contracts	3.2	3.2	4.7	4.7
Research Training Support Grant and other contracts	22.4	22.4	29.0	29.0
	354.2	354.2	331.4	331.4

Note 2 Funding body grants

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Recurrent grant				
Office for Students	24.5	24.5	24.1	24.1
UK Research and Innovation (Research England)	46.7	46.7	42.7	42.7
Capital grant	7.9	7.9	8.7	8.7
Specific grants				
Higher Education Innovation Fund	4.5	4.5	4.3	4.3
Global Challenge Research Fund	1.9	1.9	1.6	1.6
Other specific grants	7.9	7.9	4.7	4.7
	93.4	93.4	86.1	86.1

Note 3 Research grants and contracts

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Government UK and overseas	64.2	64.2	75.6	75.6
Research Councils	26.7	26.7	61.2	61.2
Research charities	3.6	3.6	15.0	15.0
Industry and commerce	13.6	13.6	28.3	28.3
Other grants and contracts	62.9	62.3	3.1	2.5
	171.0	170.4	183.2	182.6

Notes to the financial statements

Note 4 Grant and fee income

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Grant income from the OfS	25.6	25.6	26.5	26.5
Grant income from other bodies	67.8	67.8	59.6	59.6
Fee income for taught awards (exclusive of VAT)	312.5	312.5	282.5	282.5
Fee income for research awards (exclusive of VAT)	16.1	16.1	15.2	15.2
Fee income from non-qualifying courses (exclusive of VAT)	25.6	25.6	33.7	33.7
	447.6	447.6	417.5	417.5

Note 5 Other income

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Residences, catering and conferences	27.8	24.4	38.9	36.5
Other services rendered	46.5	46.5	36.3	36.3
Health Authorities	11.3	11.3	10.0	10.0
Capital grants	–	–	0.4	0.4
Job retention scheme income	4.2	4.2	–	–
Other income	21.8	20.3	21.5	16.8
	111.6	106.7	107.1	100.0

Note 6 Investment income

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Investment income on endowments	24	1.1	1.1	1.2	1.2
Other investment income		1.0	1.2	1.1	1.2
		2.1	2.3	2.3	2.4

Note 7 Donations and endowments

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
New endowments	24	0.5	0.5	0.9	0.9
Donations with restrictions		1.6	1.6	1.8	1.8
Unrestricted donations		3.1	3.1	2.9	2.9
		5.2	5.2	5.6	5.6

Note 8 Staff costs

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Staff Costs:				
Salaries	288.9	284.3	265.5	262.4
Social security costs	28.6	28.3	26.4	26.1
Movement on USS provision	(98.1)	(98.1)	129.9	129.9
Other pension costs	75.6	75.4	64.1	63.8
Total	295.0	289.9	485.9	482.2

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated Full-time equivalents	Institution Full-time equivalents	Consolidated Full-time equivalents	Institution Full-time equivalents
Staff numbers:				
Academic departments	2,804	2,804	2,679	2,679
Academic services	1,079	1,079	977	977
Central administration and services	578	578	553	553
Premises	539	539	498	498
Research grants and contracts	1,463	1,456	1,523	1,516
Other external	626	545	573	476
Residences, catering and conferences	239	117	231	113
Staff and student facilities	246	246	242	242
	7,574	7,364	7,276	7,054

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

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

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated Number	Institution Number	Consolidated Number	Institution Number
£100,000 to £104,999	33	33	14	14
£105,000 to £109,999	15	15	13	13
£110,000 to £114,999	4	4	3	3
£115,000 to £119,999	5	5	5	5
£120,000 to £124,999	6	6	3	3
£125,000 to £129,999	3	3	2	2
£130,000 to £134,999	5	5	6	6
£135,000 to £139,999	2	2	2	2
£140,000 to £144,999	–	–	2	2
£145,000 to £149,999	3	3	2	2
£150,000 to £154,999	1	1	4	4
£155,000 to £159,999	3	3	3	3
£160,000 to £164,999	1	1	2	2
	81	81	61	61

Note 8 Staff costs (continued)

Remuneration of the President and Vice-Chancellor

		Year ended 31 July 2020	Year ended 31 July 2019		
		Professor K Lamberts	Professor K Lamberts	Professor Sir K Burnett	Total
		£	£	£	£
Salary	i	290,130	213,750	58,781	272,531
Payments in lieu of pension contributions		–	–	8,523	8,523
Bonus		–	–	24,688	24,688
Employer USS pension contributions	ii	87,909	52,060	–	52,060
Employer USS deficit recovery contribution		–	–	1,234	1,234
Salary sacrifice		(27,465)	(12,160)	–	(12,160)
Other Taxable Benefits:					
University provided accommodation	iii	–	732	149	881
Private medical insurance		–	–	315	315
Other Non-taxable Benefits					
University provided accommodation	iv	–	6,120	2,448	8,568
Relocation Costs		182	2,378	–	2,378
		350,756	262,880	96,138	359,018

Notes relating to year ended 31 July 2019

i Professor Sir Keith Burnett retired on 30 September 2018. His successor, Professor Koen Lamberts joined the University on 1 November 2018. The remuneration for 2018/19 therefore includes two months' earnings for Professor Sir Keith Burnett and nine months' earnings for Professor Lamberts.

The full time equivalent basic salary for 12 months for Professor Sir Keith Burnett would have been £352,685 and total remuneration of £453,390. The full time equivalent basic salary for 12 months for Professor Lamberts would have been £285,000 and total remuneration of £346,955.

ii Employer USS contributions include the salary sacrifice employee contribution which is paid by the employer.

iii Utility costs to 31 March 2019.

iv Opportunity cost of University provided accommodation to 31 March 2019.

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 29,000 students, over 8,700 staff, an annual turnover of £737 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 UCAS, Chair of UKCISA's Board of Trustees and Deputy Chair and Board Member of the Russell Group. Further information: www.sheffield.ac.uk/vc/biography

The performance of the President & Vice-Chancellor's 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.

Notes to the financial statements

Note 8 Staff costs (continued)

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 2019/20 the basic salary of the President and Vice-Chancellor was 8.6 times greater than the median basic salary of all other employees (2018/19 9.1).

Total salary

In 2019/20 the total salary of the President and Vice-Chancellor was 8.9 times greater than the median total salary of all other employees (2018/19 9.9).

Compensation for loss of office

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Total amount of compensation payable	9.0	9.0	1.5	1.5
	Number	Number	Number	Number
Number of staff to whom this was payable	418	418	190	187

The compensation in 2019/20 includes payments of £7.6m (number of staff 271) in respect of a voluntary severance scheme.

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, 5 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. The post of Executive Director of Corporate Service was vacant during 2019/20 but filled on 1 August 2020.

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

	Year Ended 31 July 2020 £m	Year Ended 31 July 2019 £m
Key management personnel compensation	2.3	2.4

Notes to the financial statements

Note 9 Interest and other finance costs

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Loan interest		4.4	4.4	4.2	4.2
Finance lease interest (including service concession finance charge)	14	9.3	9.3	9.3	9.3
Unwind of discount on USS pension provision		3.1	3.1	1.3	1.3
Net interest cost on University of Sheffield Pension Scheme	33	2.1	2.1	1.6	1.6
		18.9	18.9	16.4	16.4

Note 10 Analysis of total expenditure

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Analysis of other operating expenses				
Consumables and laboratory expenditure	14.4	14.4	19.2	18.7
Books and periodicals	6.9	6.9	6.9	6.9
Printing, stationery and postage	2.6	2.6	3.5	3.5
Rates	2.9	2.3	2.5	2.1
Fellowships, scholarships and prizes	32.5	32.5	35.9	35.9
Furniture and equipment	15.5	15.5	20.2	20.2
Heat, light, water and power	13.5	13.0	15.2	14.6
Repairs and general maintenance	9.3	9.1	11.5	11.1
Grants to University of Sheffield Students' Union	3.6	3.6	3.6	3.6
Rents	16.6	16.6	16.7	16.7
Auditors' remuneration	0.1	0.1	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	51.1	51.1	43.2	43.2
Provision for bad & doubtful debts	3.7	3.7	(0.3)	(0.3)
Administrative expenses	10.0	10.0	10.7	10.7
Travel and subsistence expenses	8.3	8.3	14.0	13.9
Payments to non-contracted staff	2.8	2.8	3.3	3.3
Conference and meeting expenditure	1.6	1.6	2.4	2.4
Professional subscriptions	2.9	2.9	2.3	2.3
Student placement fees	1.8	1.8	1.7	1.7
Other expenses	9.2	8.8	10.2	9.2
	209.4	207.7	222.9	219.9

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

Notes to the financial statements

Note 10 Analysis of total expenditure (continued)

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Analysis of total expenditure by activity				
Academic departments	241.3	241.3	237.3	237.3
Academic services	54.5	54.5	52.1	52.1
Central administration and services	35.1	35.1	27.0	27.0
General educational expenditure	39.2	39.2	37.6	37.6
Staff and student facilities	16.3	16.3	14.1	14.1
Research grants and contracts	124.1	124.1	130.9	130.9
Residences, catering and conferences	44.2	39.6	45.7	45.6
Premises (including service concession cost)	82.7	82.7	88.9	88.9
Other expenses	(28.2)	(30.5)	185.0	178.3
	609.2	602.3	818.6	811.8

Other expenses include the credit to staff costs in respect of the movement in the USS pension deficit provision (Note 8). Other expenses also include within staff costs payment under the voluntary severance scheme (Note 8).

	Year ended 31 July 2020 £m
Access and participation expenditure	
Access Investment	3.3
Financial Support	7.1
Disability Support	1.9
Research and Evaluation	0.1
	12.4

£3.8m of the costs shown above are staff costs, and are included in note 8 of the financial statements.

The University's current and previous access and participation plans can be found at www.sheffield.ac.uk/finance/access-and-participation

Note 11 Taxation

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Recognised in the statement of comprehensive income				
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	-	-	-	-

Note 12 Intangible assets

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Software				
Opening balance	9.5	9.5	5.6	5.5
Additions in the year	5.5	5.5	4.0	4.0
Disposals in the year	-	-	(0.1)	-
Closing balance	15.0	15.0	9.5	9.5

The addition during the year relates to the development of a software intangible asset. Once complete, the amortisation period for this asset will be 5 years.

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
Group					
Cost or valuation					
At 1 August 2019	1,090.4	222.8	301.9	113.3	1,728.4
Additions	17.8	-	12.5	37.0	67.3
Transfers	58.8	-	9.5	(68.3)	-
Surplus on revaluation	44.7	-	-	-	44.7
Loss on revaluation	(62.3)	(31.5)	-	-	(93.8)
Disposals	(1.3)	-	(1.2)	-	(2.5)
At 31 July 2020	1,148.1	191.3	322.7	82.0	1,744.1
Consisting of:					
Valuation	179.8	27.6	-	-	207.4
Cost	968.3	163.7	322.7	82.0	1,536.7
	1,148.1	191.3	322.7	82.0	1,744.1
Depreciation					
At 1 August 2019	30.5	-	234.8	-	265.3
Charge for the year	45.7	5.0	31.4	-	82.1
Impairment write down	2.4	1.4	-	-	3.8
Impairment of Investment properties	0.5	-	-	-	0.5
Written back on revaluation	(50.8)	(6.4)	-	-	(57.2)
Disposals	-	-	(1.2)	-	(1.2)
At 31 July 2020	28.3	-	265.0	-	293.3
Net book value					
At 31 July 2020	1,119.8	191.3	57.7	82.0	1,450.8
At 31 July 2019	1,059.9	222.8	67.1	113.3	1,463.1
Institution					
Cost or valuation					
At 1 August 2019	1,088.8	222.8	301.1	113.3	1,726.0
Additions	17.8	-	12.2	37.0	67.0
Transfers	58.8	-	9.5	(68.3)	-
Surplus on revaluation	44.7	-	-	-	44.7
Loss on revaluation	(62.2)	(31.5)	-	-	(93.7)
Disposals	-	-	(1.2)	-	(1.2)
At 31 July 2020	1,147.9	191.3	321.6	82.0	1,742.8
Consisting of:					
Valuation	179.9	27.6	-	-	207.5
Cost	968.0	163.7	321.6	82.0	1,535.3
	1,147.9	191.3	321.6	82.0	1,742.8
Depreciation					
At 1 August 2019	30.2	-	234.2	-	264.4
Charge for the year	45.7	5.0	31.3	-	82.0
Impairment write down	2.4	1.4	-	-	3.8
Impairment of Investment properties	0.5	-	-	-	0.5
Written back on revaluation	(50.9)	(6.4)	-	-	(57.3)
Disposals	-	-	(1.2)	-	(1.2)
At 31 July 2020	27.9	-	264.3	-	292.2
Net book value					
At 31 July 2020	1,120.0	191.3	57.3	82.0	1,450.6
At 31 July 2019	1,058.6	222.8	66.9	113.3	1,461.6

At 31 July 2020, freehold land and buildings included £23.9m (2019 - £21.6m) in respect of freehold land which is not depreciated.

In addition two investment properties valued in total at £6.2m (2019 - £6.6m) were included above.

A valuation of the University's Academic and Administration buildings was carried out as at 31 July 2020 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 2020 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 2020 by external valuer Saxton Mee Commercial.

Notes to the financial statements

Note 14 Service concession arrangements

The University has one on Statement of Financial Position 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 2020 is £191.3m (31 July 2019: £222.8m). The decrease of £31.5m in the year is calculated as follows:

	£m
Opening balance at 1 August 2019	222.8
Depreciation in the year	(5.0)
Impairments in the year	(1.4)
Writeback of depreciation on valuation	6.4
Loss on revaluation	(31.5)
Closing balance at 31 July 2020	191.3

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 2020 were £101.8m (31 July 2019 £105.3m). The sum of £3.5m 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	3.0	11.8	87.0	101.8
Finance charge	5.3	19.4	55.9	80.6
Service charge	6.7	25.8	191.4	223.9
	15.0	57.0	334.3	406.3

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	Other fixed assets investments	Total
	£m	£m	£m
Consolidated			
At 1 August 2019	–	8.9	8.9
Additions	–	–	–
Disposals	–	(0.1)	(0.1)
Other net losses	–	–	–
Appreciation	–	–	–
Exchange movements	–	–	–
Impairment	–	(0.2)	(0.2)
At 31 July 2020	–	8.6	8.6
Institution			
At 1 August 2019	4.7	41.7	46.4
Additions	–	–	–
Disposals	(0.1)	–	(0.1)
Appreciation	–	–	–
Exchange movements	–	–	–
Impairment	(0.4)	(0.2)	(0.6)
At 31 July 2020	4.2	41.5	45.7

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 2020		Year ended 31 July 2019	
	£m	£m	£m	£m
Income and expenditure account				
Income		7.6		7.0
Deficit before tax		(0.4)		0.1
Statement of Financial Position				
Fixed assets	0.1		0.2	
Current assets	3.1		3.1	
		3.2		3.3
Creditors: amounts due within one year	(3.0)		(3.0)	
Creditors: amounts due after more than one year	(0.9)		(0.5)	
		(3.9)		(3.5)
Share of net assets/(liabilities)		(0.7)		(0.2)

Note 17 Investment in associates

The University has holdings in the following companies:

Company	%	Principal Activity
Aeqiq Ltd	33.3%	Research and experimental development on natural sciences and engineering
Aeqora Ltd	37.6%	Semantic based solutions for knowledge sharing
Blastech Ltd	24.9%	Blast, impact and ballistic testing services
Conteque Ltd	24.9%	Novel reinforcement systems for structural concrete
Enactus Sheffield Ltd	*	Social enterprise company
Leonardo Testing Services Ltd	33.3%	Testing services for research and development
High Value Manufacturing Catapult	*	Grants management
IFRF Ltd	*	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
Modulus Oncology Ltd	28.4%	Research and experimental development on biotechnology
Redbrick Molecular Ltd	*	Chemistry research and development
Rinri Therapeutics Ltd	28.6%	Research and experimental development on biotechnology

* Limited by guarantee

All companies are incorporated in Great Britain.

Note 18 Debtors and prepayments due in more than one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Amounts falling due in more than one year:				
Prepayment: ABF lease	–	23.8	–	27.5
Prepayment: Professional Services	0.1	0.1	–	–
Loans to Group companies	0.6	1.6	0.3	0.3
Loans to other companies	0.1	0.1	0.1	0.1
	0.8	25.6	0.4	27.9

Notes to the financial statements

Note 19 Trade and other receivables

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Amounts falling due within one year:				
Research grants accrued income	24.1	24.1	24.6	24.6
Prepayments and other accrued income	33.8	33.8	26.0	25.5
Other receivables	33.1	36.3	31.8	32.5
Amounts due from subsidiary companies	–	2.3	0.1	0.1
	91.0	96.5	82.5	82.7

Note 20 Current investments

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Short term investment in shares	40.0	40.0	40.9	40.9

Note 21 Creditors: amounts falling due within one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Bank loans	2.7	2.7	2.7	2.7
Secured loans	–	–	–	–
Unsecured loans	0.7	0.7	0.2	0.2
Obligations under finance leases	–	3.8	–	3.7
Service concession arrangements (note 14)	3.0	3.0	3.5	3.5
Trade payables	15.5	15.1	13.4	12.7
Social security and other taxation payable	7.8	7.5	7.3	7.2
Accruals and deferred income	141.8	140.2	144.7	143.3
Other creditors	29.1	29.6	31.7	30.1
	200.6	202.6	203.5	203.4

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 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Research grants received on account	52.4	52.4	46.0	46.0
Other income	26.0	26.0	21.4	21.4
	78.4	78.4	67.4	67.4

Notes to the financial statements

Note 22 Creditors: amounts falling due after more than one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Service concession liabilities due after one year	98.8	98.8	101.8	101.8
Obligations under finance leases	–	52.4	–	56.3
Long term creditors	0.4	0.4	0.4	0.4
Deferred income	3.1	3.1	1.5	1.5
Bank and other loans	5.3	5.3	8.1	8.1
Private placement	59.8	59.8	59.8	59.8
	167.4	219.8	171.6	227.9
Analysis of loans, private placement and finance lease				
Due within one year or on demand (Note 21)	3.4	7.2	2.9	6.6
Due between one and two years	3.2	7.1	3.2	7.0
Due between two and five years	2.1	14.2	4.5	16.4
Due in five years or more	59.8	96.2	60.2	100.7
Due after more than one year	65.1	117.5	67.9	124.1
Total unsecured loans and finance leases	68.5	124.7	70.8	130.8
Unsecured loans repayable by 2047	68.5	68.5	70.8	70.8
	68.5	68.5	70.8	70.8

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	6.0	15 years - quarterly repayment	5.46 - Fixed	University	30 November 2007
			0.85 - variable		
Salix Finance Ltd	2.7	4 years - biannual repayment	Interest free	University	
Total	68.5				

Notes to the financial statements

Note 23 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
Consolidated					
At 1 August 2019	191.9	100.9	292.8	0.2	293.0
Utilised in year	(98.1)	–	(98.1)	–	(98.1)
Additions in 2019-20	3.1	63.4	66.5	0.2	66.7
Unused amounts reversed in 2017-18	–	–	–	–	–
At 31 July 2020	96.9	164.3	261.2	0.4	261.6
Institution					
At 1 August 2019	191.9	100.9	292.8	0.1	292.9
Utilised in year	(98.1)	–	(98.1)	–	(98.1)
Additions in 2019-20	3.1	63.4	66.5	0.2	66.7
Unused amounts reversed in 2017-18	–	–	–	–	–
At 31 July 2020	96.9	164.3	261.2	0.3	261.5

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. As a consequence the deficit provision has decreased significantly from the prior year of which £82.8m is due to the change in the deficit contributions contractual commitment.

The major assumptions used to calculate the provision are:

	Year ended 31 July 2020	Year ended 31 July 2019
Discount rate	0.73%	1.61%
Pensionable salary growth	Year 1: 6.3% decrease Year 2: 0.7% decrease Years 3+: 4.4% increase	Year 1: 3.8% increase Years 2+: 4.5% 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 2020	Approximate impact
	£m
0.5% pa decrease in discount rate	2.4
0.5% pa increase in salary inflation over duration	2.3
0.5% pa increase in salary inflation year 1 only	0.5
0.5% increase in staff changes over duration	2.4
0.5% increase in staff changes year 1 only	0.5
1% increase in deficit contributions	12.6

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. These provisions will be renewed on a biennial basis. Also included is an amount of £0.1m for redundancy costs.

Notes to the financial statements

Note 24 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2020 Total	2019 Total
	£m	£m	£m	£m	£m
Balances at 1 August 2019					
Capital	21.8	8.6	10.6	41.0	39.0
Accumulated income	4.2	–	0.8	5.0	4.8
	26.0	8.6	11.4	46.0	43.8
New endowments	0.4	–	0.1	0.5	0.9
Investment income	0.7	0.2	0.2	1.1	1.2
Expenditure	(0.5)	(0.2)	(0.2)	(0.9)	(1.0)
Realisations	–	–	(0.7)	(0.7)	–
(Decrease)/increase in market value of investments	(0.3)	(0.1)	(0.1)	(0.5)	1.1
Total endowment comprehensive expenditure for the year	0.3	(0.1)	(0.7)	(0.5)	2.2
	26.3	8.5	10.7	45.5	46.0
At 31 July 2020					
Represented by:					
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
Analysis by type of purpose:					
Lectureships	4.4	–	0.1	4.5	4.5
Scholarships and bursaries	16.2	–	4.2	20.4	20.0
Research support	1.5	–	4.4	5.9	6.6
Prize funds	1.9	–	1.5	3.4	3.5
General	2.3	8.5	0.5	11.3	11.4
	26.3	8.5	10.7	45.5	46.0
Analysis by asset					
Fixed assets				–	–
Current and non-current asset investments				40.0	40.9
Cash & cash equivalents				5.5	5.1
				45.5	46.0

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 2021.

Balances at 31 July 2020:	Capital	Income
	£	£
Ellen Heatherington Arthritis Research	96,716	(25,210)
Kodak Ltd Chair of Radiodiagnosis	406,888	(15,184)
Herbert Price Prize	13,345	(8,712)
JG Graves Fellowship	991,287	(5,546)
Thomas Berry Simpson Fellowships	485,300	(553)
	1,993,536	(55,205)

Notes to the financial statements

Note 25 Restricted reserves

Reserves with restrictions are as follows:

	2020 Total	2019 Total
	£m	£m
Balances at 1 August 2019	3.3	3.5
Research grant income	0.3	0.3
Other restricted income	1.8	1.9
Expenditure	(2.0)	(2.4)
Total restricted comprehensive income/(expenditure) for the year	0.1	(0.2)
At 31 July 2020	3.4	3.3
Analysis of other restricted funds /donations by type of purpose:		
Lectureships	–	–
Scholarships and bursaries	1.2	1.0
Research support	1.0	1.5
Prize funds	0.1	–
General	1.1	0.8
	3.4	3.3

Note 26 Cash and cash equivalents

	At 1 August 2019	Cash Flows	At 31 July 2020
	£m	£m	£m
Consolidated			
Cash and cash equivalents	89.8	31.0	120.8
	89.8	31.0	120.8
Institution			
Cash and cash equivalents	82.9	29.8	112.7
	82.9	29.8	112.7

Consolidated movement in net debt

	At 31 July 2020
	£m
Net debt 1 August 2019	89.2
Movement in cash and cash equivalents	(31.0)
Acquisition of subsidiaries	–
Disposal of subsidiaries	–
New finance leases	–
Other non-cash changes	(5.4)
Changes in market value and exchange rates	–
Net debt 31 July 2020	52.8

Change in net debt

	At 31 July 2020	At 31 July 2019
	£m	£m
Analysis of net debt:		
Cash and cash equivalents	120.8	89.8
Borrowings: amounts falling due within one year		
Secured loans	–	–
Unsecured loans	3.4	2.9
Bank overdraft	–	–
Obligations under finance leases	–	–
Service concession arrangements	3.0	3.5
Derivatives	–	–
	6.4	6.4
Borrowings: amounts falling due after more than one year		
Service concession liabilities due after one year	98.8	101.8
Obligations under finance lease	–	–
Derivatives	–	–
Secured loans	–	–
Unsecured loans	68.5	70.8
	167.3	172.6
Net debt	52.8	89.2

Notes to the financial statements

Note 27 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2020:

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Commitments contracted for	76.7	76.7	106.6	106.6
Commitments not contracted for	94.5	94.5	60.6	60.6
	171.2	171.2	167.2	167.2

Note 28 Contingent liabilities

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

TUOS Parking Ltd

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 letters 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 24 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
Consolidated						
Yorkshire Cancer Research Endowment	4.5	(0.6)	–	(0.7)	–	3.2
4 funds and charities each with income below £100,000:	0.4	–	–	–	–	0.4
	4.9	(0.6)	–	(0.7)	–	3.6

The main charitable purpose of the Yorkshire Cancer Research Endowment is the funding of cancer research.

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

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%
Castings Technology International Ltd	Advanced casting manufacturing and research	100.00%
epiGenesys Ltd	Custom software solutions and web applications	100.00%
Epipix Ltd	Research and experimental development on natural sciences and engineering	60.00%
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 Sdn Bhd, 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 2020			31 July 2019	
	Land and Buildings	Printers	Vehicles	Total	Total
	£m	£m	£m	£m	£m
Payable during the year	10.0	0.2	0.1	10.3	10.0
Future minimum lease payments due:					
Not later than 1 year	9.0	0.1	–	9.1	9.4
Later than 1 year and not later than 5 years	37.9	–	–	37.9	37.3
Later than 5 years	10.0	–	–	10.0	9.9
Total lease payments due	56.9	0.1	–	57.0	56.6

Note 32 Events after the reporting period

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. Based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from £9.8bn to £17.9bn. This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation. At this stage, an outcome has not yet been agreed and the USS Trustee has until 30 June 2021 to conclude the valuation. Thus, for the 2019-20 financial year, this is considered a non-adjusting event.

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 2020	Year Ended 31 July 2019
Statement of comprehensive income - net pension cost in year	£m	£m
USS contributions	68.3	56.7
USPS service costs	5.9	5.4
NHSPS contributions	1.7	1.7
Movement on USS provision in staff costs (note 8)	(98.1)	129.9
USS pension finance cost (note 9)	3.1	1.3
USPS and ex-gratia pensions net interest charge (note 9)	2.1	1.6
USPS administration cost in other operating expenses	0.7	1.0
	(16.3)	197.6
Other comprehensive income - actuarial loss in respect of pension schemes		
USPS including FRS 102 adjustments	64.8	43.0
Statement of Financial Position - Pension scheme liability (note 23)		
USS	96.9	191.9
USPS including FRS 102 adjustments	164.3	100.9
	261.2	292.8

(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 credit to the income and expenditure account is £95.0m (2019: cost charged of £131.2m).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The 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:

	2018 valuation	2017 valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

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%, until March 2028. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	0.73%	1.61%
Pensionable salary growth	Year 1: 6.3% decrease Year 2: 0.7% decrease Years 3+: 4.4% increase	Year 1: 3.8% increase Years 2+: 4.5% increase

In the year ended 31 July 2019, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

The reduction in the term of the deficit recovery plan has given rise to a substantial reduction in the deficit provision which has decreased from £191.9 million to £96.9 million as set out in note 23. £82.8 million of this decrease is attributable to the change in the deficit contributions contractual commitment. See also Staff costs note 8 in respect of significant one-off pension costs / gains.

A further full valuation as at 31 March 2020 is currently underway. As the valuation has only recently commenced there is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation must be completed by 30 June 2021. However it is generally anticipated that there will be a significant increase in the deficit provision as at 31 July 2021 (assuming the valuation is completed by then).

(ii) University of Sheffield Pension Scheme

Disclosure for the accounting period ending 31 July 2020

The last formal triennial actuarial valuation of the scheme was performed as at 1 April 2017 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 £383,974 p.a. These liabilities are not separately funded.

Assumptions

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

	At July 2020	At July 2019
	%pa	%pa
Price Inflation (RPI)	2.75	3.10
Price Inflation (CPI)	2.25	2.10
Rate of increase in salaries	3.05	2.90
Pension increases - CPI (scheme members excess benefits)	2.25	2.10
Pension increases - CPI max 3% (post 88 GMP)	2.25	2.10
Pension increases - RPI (ex-gratia academic staff)	2.75	3.10
Pension increases - 3% fixed (ex-gratia academic staff)	3.00	3.00
Discount rate	1.58	2.17

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 2019	22.2	23.7	24.5	26.4
At 31 July 2020	22.3	23.8	24.6	26.5

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 2020	31 July 2019	31 July 2018
	£m	£m	£m
Equities	96.2	124.6	129.0
Government bonds	7.7	6.0	8.8
Corporate bonds	54.2	49.1	28.0
Property	17.8	17.0	15.9
Cash	10.7	7.3	4.5
Other	37.9	16.2	16.8
Total	224.5	220.2	203.0

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 £4.8m of the total liabilities of £164.3m and £0m of the total assets.

	Year ended 31 July 2020	Year ended 31 July 2019
	£m	£m
Analysis of the amount shown in the Statement of Financial Position for USPS and ex-gratia pensions:		
Scheme assets	224.5	220.2
Scheme liabilities	(388.8)	(321.0)
Deficit in the scheme – net pension liability recorded within pension provisions	(164.3)	(100.8)
Amount charged to Income and Expenditure for USPS		
Current service cost	5.9	5.4
Administration expenses	0.7	1.0
Total operating charge	6.6	6.4
Analysis of the amount charged to interest payable for USPS and Ex-gratia pensions		
Interest cost	6.5	7.0
Expected return on assets	(4.4)	(5.4)
Net charge to interest payable	2.1	1.6
Analysis of other comprehensive income for USPS and ex-gratia pensions		
Loss/(gain) on assets	0.5	(10.9)
Experience (gain)/loss on liabilities	–	0.1
Loss/(gain) on liabilities	64.3	53.8
Total other comprehensive income before deduction for tax	64.8	43.0

Notes to the financial statements

Note 33 Pension schemes (continued)

	Year ended 31 July 2020	Year ended 31 July 2019
	£m	£m
Cumulative actuarial loss recognised as other comprehensive income for USPS and ex-gratia pensions		
Cumulative actuarial losses recognised at the start of the year	74.0	31.0
Cumulative actuarial losses recognised at the end of the year	138.9	74.0
Analysis of movement in deficit for USPS and ex-gratia pensions		
Deficit at beginning of year	100.9	59.9
Contributions or benefits paid by the University	(10.0)	(10.0)
Current service cost	5.9	5.4
Administration charge	0.7	1.0
Net interest cost	2.0	1.6
Loss recognised in other comprehensive income	64.8	43.0
Deficit at end of year	164.3	100.9
Analysis of movement in the present value of USPS and ex-gratia liabilities		
Present value of USPS and ex-gratia liabilities at the start of the year	321.0	262.9
Current service cost (net of member contributions)	5.9	5.4
Interest expense	6.5	7.0
Actual member contributions (including notional contributions)	0.4	0.4
Actuarial gain	64.3	53.9
Actual benefit payments	(9.3)	(8.6)
Present value of USPS and ex-gratia liabilities at the end of the year	388.8	321.0
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	220.2	203.0
Expected return on assets	4.4	5.4
Actuarial gain on assets	(0.5)	10.9
Actual contributions paid by University	9.7	9.6
Expenses paid from scheme assets	(0.9)	(1.1)
Actual member contributions (including notional contributions)	0.4	0.4
Actual benefit payments	(8.8)	(8.0)
Fair value of scheme assets at the end of the year	224.5	220.2
Actual return on Scheme assets		
Expected return on Scheme assets	4.4	5.4
Actuarial gain on assets	(0.5)	10.9
Actual return on Scheme Assets	3.9	16.3

Estimated contributions for USPS in the Financial Year 2020–2021 is £10.4m.

Notes to the financial statements

Note 34 Financial instruments

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Measured at fair value				
Non-current investments held at fair value (note 15)	7.7	41.5	8.9	41.7
Endowment investments held at fair value (note 20)	40.0	40.0	40.9	40.9
Measured at cost				
Trade and other receivables (note 19)	91.0	96.5	82.5	82.7
Trade payables (note 21)	(15.5)	(15.1)	(13.4)	(12.7)
Social security and other taxation payable (note 21)	(7.8)	(7.5)	(7.3)	(7.2)
Accruals and deferred income due in one year (note 21)	(141.8)	(140.2)	(144.7)	(143.3)
Accruals and deferred income due in more than one year (note 22)	(3.1)	(3.1)	(1.5)	(1.5)
Other creditors due in one year (note 21)	(29.1)	(29.6)	(31.7)	(30.1)
Other creditors due in more than one year (note 22)	(0.4)	(0.4)	(0.4)	(0.4)
Bank and other non-secured loans (note 21)	(3.4)	(3.4)	(2.9)	(2.9)
Bank and other non-secured loans (note 22)	(5.3)	(5.3)	(8.1)	(8.1)
Private placement (note 22)	(59.8)	(59.8)	(59.8)	(59.8)
	(127.5)	(86.4)	(137.5)	(100.7)

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 2020, are as follows:

The Institution has taken advantage of the exemption within Financial Reporting Standard (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 FRS 102. 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 2020			31 July 2020		
	£m	£m	£m	£m	£m	£m
AegiQ Ltd	–	0.2	–	–	–	–
Aeqora Ltd	–	0.2	–	–	–	–
Keapstone Therapeutics Ltd	–	0.1	–	0.1	–	–
Fusion IP plc	–	–	–	–	0.1	–
Redbrick Molecular Ltd	0.1	–	–	–	–	–
Rinri Therapeutics Ltd	0.4	–	0.3	–	–	–
Sheffield University Student's Union	1.9	1.1	0.5	2.1	0.8	0.1
The Russell Group of Universities	–	0.1	–	–	0.1	–
Sheffield Advisory Services Sdn Bhd	–	0.2	–	–	0.2	–
N8 Ltd	0.2	0.1	–	0.1	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 2020			31 July 2020		
	£m	£m	£m	£m	£m	£m
Croda International Plc	–	–	–	0.1	–	–
Sheffield Teaching Hospitals NHS Foundation Trust	13.6	4.7	1.7	–	5.8	–
EEF Ltd	–	–	–	15.3	–	3.2
Henry Boot Plc	–	8.1	(0.3)	–	7.3	(0.5)
DLA Piper	–	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.

Expenses were paid to three Council members totalling £927 (2019: £1,487 to six Council members) in respect of their duties as Council members. No remuneration was paid to or waived by Council members in connection with their duties as Council members.

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