



University of
Sheffield

Annual Report & Financial Statements

2021–22



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Highlights of the year

August 2021

Our Engineering Heartspace building won two regional awards from the [Royal Institute of British Architects \(RIBA\)](#).

September 2021

We announced plans to build a new [Sustainable Aviation Fuels Innovation Centre](#) to lead research, innovation and commercial testing of sustainable aviation fuels.

October 2021

A new report revealed that international students in Sheffield [bring £313 million benefit to the UK economy](#).

We launched [Made Together](#) - a major regeneration initiative to make our region healthier, greener, more vibrant and innovative for all.

November 2021

We welcomed [£50 million investment to accelerate motor neurone disease \(MND\) research](#) to bring effective treatments for patients living with the terminal neurodegenerative disease.

We became a founding signatory of a [new declaration of climate expectations](#), which sets out the minimum climate commitments it expects from the companies managing its investments.

December 2021

We received funding for pioneering projects to [improve postgraduate research participation](#) and access for Black Asian and Minority Ethnic (BAME) students.

January 2022

We were named [one of the most international universities in the world](#) by Times Higher Education.

February 2022

We were ranked 8th in the [High Fliers list of Most Targeted Universities](#) by Employers - our highest ever ranking.

March 2022

We officially opened our new [Advanced Manufacturing Research Centre \(AMRC\) North West](#) - a new facility that will play a major role in driving innovation in the UK's advanced manufacturing sectors.

April 2022

We opened our new [Royce Discovery Centre](#) - a state-of-the-art research facility where the next generation of materials will be developed to meet the needs of UK manufacturers.

May 2022

92 percent of our research was rated world-leading or internationally excellent, the highest two categories, in the [Research Excellence Framework \(REF\) 2021](#).

We published our first ever university-wide [Disability Equality Strategy and Action Plan](#), which outlines our commitment to understanding and improving the experiences of our disabled staff and students.

Our Students' Union was awarded the Whatuni Student Choice Award 2022 for [Best Students' Union in the UK](#), for the fifth year running.

June 2022

Staff, students, alumni and friends of the University raised £73,000 for life-saving [life-changing genetic disease research](#) after participating in a marathon walk across the Peak District.

We were ranked [one of the top 100 universities in the world](#) in the QS World University Rankings 2023, reaffirming our position as a leading global university for teaching and research excellence.

July 2022

We were chosen to be one of global technology giant Siemens' top tier innovation partners, as part of the company's new global research and innovation ecosystems.

We won the [Sustainability Initiative Award 2022](#) in recognition of our work to reduce single-use plastic waste by using milk churns in University venues.

President and Vice-Chancellor's introduction



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

The last two annual reports were written in the context of some of the most challenging and unprecedented times in our University's history. While we are still living with Covid-19, and will continue to do so for some time to come, I am sure that we can agree that it has been wonderful to see our teaching, research and student experience return to normal this year.

This greater sense of normality has allowed us to focus on progressing our vision and strategy, and this report reflects a number of exciting projects and initiatives that will help us fulfil our ambitions and transform our world for the better. I am hopeful that the days of responding to the worst impacts of the pandemic are behind us, and we can now look to a bold and ambitious future.

Over the period of this report, we have made significant progress in delivering the key pillars of our vision - Research, Innovation, Education and One University.

We want our research to be world-leading and world-changing - to drive intellectual advances and address global challenges. The fact that 92 per cent of the University's research was classed as world-leading or internationally excellent in the 2021 Research Excellence Framework demonstrates that we have strong foundations to build on. It is important that we continue to enable and promote a culture of research excellence - not only for the benefit of the University and our immensely talented researchers, but for people and communities across the world.

There are many examples of how Sheffield is leading the world with innovative solutions to the most pressing societal and global problems. This year building work completed on our Sustainable Aviation Fuels Centre - the first of its kind in the UK - which will help to decarbonise air travel. Last year, we extended the footprint of our world-renowned Advanced Manufacturing Research Centre (AMRC) with the opening of AMRC North West in Samlesbury, which is working to help businesses unlock productivity and sustainability gains. In South Yorkshire, our Made Together programme is continuing to make our region healthier, greener, more vibrant and innovative for everyone.

We know that our excellent research and innovation holds tremendous potential to drive prosperity and economic growth. It is fantastic that Northern Gritstone - the investment company we established with the universities of Leeds and Manchester to boost the commercialisation of northern university start-ups and spin-outs - has received strong endorsement from investors. The company announced a first close of £215 million earlier this year and made two investments in Sheffield businesses, the first a University of Sheffield spin-out. This investment power will help to unlock solutions to the world's most pressing challenges and we are looking forward to seeing its impact in the months and years ahead.

We are also focused on providing our students with an outstanding education that equips them with the skills they need to make an impact in their future careers. While our students have returned to pre-pandemic face-to-face teaching, we have seen how this can be complemented by digital learning. We have continued to invest in our digital teaching and learning technology, and have

reviewed and redesigned on-campus study spaces with our students to ensure they meet their needs.

We are also very grateful for the support of our alumni, who play a vital role in inspiring, guiding and advising our students - whether that is through providing mentoring, networking and work experience, or through donations to student scholarships - and supporting our life-changing research. This year we were very pleased to see the return of our flagship Big Walk, which raised £73,000 for our genetic disease research. Next year, we will be publicly launching the University's first institution-wide fundraising and engagement campaign to accelerate important avenues of research and provide greater support to our students.

All of this work is underpinned by a One University ethos, and we have continued to make progress towards our goal of building a diverse community of staff and students and creating an inclusive, supportive and collaborative environment. For example, we are continuing to develop our work on equality, diversity and inclusion. This year, the University launched its first disability equality strategy and action plan to address the challenges experienced by disabled students and staff. We are determined that this work - and our forthcoming LGBTQ+ and religion, belief and non-belief equalities strategies - will make a real difference to ensuring our community is a place where everyone can flourish.

We are also continuing to progress our Sustainability Strategy, and our work towards becoming one of the most sustainable research-intensive universities in the country. This year, we were one of a small number of UK universities awarded passes for the Blue Zone at the UN's Conference of the Parties (COP) in Glasgow, where

our senior academics, early careers researchers and PhD students shared the University's research, expertise and knowledge with global leaders.

While the most significant impacts of Covid-19 appear to be over, the world continues to face many challenges, including the war in Ukraine and other conflicts around the globe. We have a dedicated group to coordinate support for refugees, asylum seekers, and students and staff affected by war or humanitarian disasters. As part of this work, we identified £1 million of funding to support new Sanctuary Scholarships, schemes for at-risk academics, hardship funding, and accommodation for students fleeing conflict.

The war in Ukraine has had a devastating impact on its universities. Through a scheme led by Universities UK International and the Cormack Consultancy Group, we have been 'twinning' with the Igor Sikorsky Kyiv Polytechnic Institute - one of Ukraine's leading universities. We are working with them to provide practical assistance, including rebuilding air raid shelters, and developing new research and teaching collaborations. We are also helping to fund community initiatives here in Sheffield, and have provided funding for the Ukrainian Club, which helps those who have recently come to Sheffield from Ukraine to get back on their feet and settle into the community.

The progress we have made in striving towards our vision, and the achievements I have outlined, would not be possible without the talent, expertise, commitment and passion of our staff. I would like to take this opportunity to thank them for their invaluable contribution to the University.

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

Foreword by the Chair of Council



Adrian Belton, Interim Chair and Pro-Chancellor

As the interim Pro-Chancellor and Chair of Council, I want to begin by paying tribute to my predecessor, Tony Pedder who has been a major contributor to the life and wellbeing of this University, Sheffield and South Yorkshire.

The changes to our Council will see it well-equipped to continue to provide governance strength and strategic leadership, advising and challenging our excellent Executive Board. I would like to thank those members of Council whose terms ended in 2022, notably: Tony Pedder, Pro-Chancellor and Chair of Council; Alison Hope, Pro-Chancellor and Chair of Audit and Risk Assurance Committee; and John Sutcliffe, the University's Treasurer and Chair of Council Finance Committee.

Martin Temple will assume his role as Chair and Pro-Chancellor in the year ahead, helping to ensure we continue to be an exemplar of sound governance. The addition of Rob Memmott as Treasurer and Adrian Stone as the designated new Pro-Chancellor and Chair of the Audit and Risk Assurance Committee will further strengthen the Council. I would also like to take the opportunity to record my thanks for my colleagues who Chair and serve on Council's various committees and provide vital support for Council across the full range of its responsibilities as governing body.

The Council extends its deepest sympathies and condolences to the Royal Family following the passing of Her Majesty, Queen Elizabeth II. Our University has long had an association with the Royal Family. The Queen visited the University on two occasions, most recently in November 2010, to officially unveil the Sheffield Institute for Translational Neuroscience (SITraN). In May of this year, our University planted a field maple, the UK's only native maple tree, outside Firth Court to mark the Queen's Platinum Jubilee as part of The Queen's Green Canopy

campaign. As this field maple continues to remain in our community over the years to come, so will our collective memory of Queen Elizabeth II.

In March, our University community was deeply saddened to learn of the untimely and tragic death of Jonathan Nicholls, a member of Council and our Senior Independent Governor. Jonathan made an immeasurable contribution to the University Council, as a member and as the senior independent governor, and to the life of the University of Sheffield more broadly, including advising on Council and Senate's roles in assuring academic quality and standards. Jonathan was also a key figure in higher education nationally, having served as Registrar at the University of Warwick, Registrar and Secretary at the University of Birmingham, Registrar at Cambridge, and Secretary at the Open University. He was an asset to our University as a trusted confidant and adviser, and as a friend. Jonathan continues to be greatly missed.

The issues I describe in this section have featured heavily in Council's discussions in the past year as the University continues to respond to the challenging operating environment, ensures its future sustainability and long-term prospects, and delivers the necessary initiatives and positive change to deliver on the strategic objectives set out in our vision. The Corporate Governance Statement later in this report sets out how the Council oversees the discharge of the University's legal and regulatory responsibilities as well as the strategic development and overall performance of University business.

This past year has seen all members of our University community navigate what continues to be a challenging time as a result of the pandemic and global instability more broadly.

Like many organisations across different sectors we also continue to adapt our working practices to respond to changes brought about by the pandemic, for example making use of technological innovation to facilitate a more flexible approach to meetings and transacting business, through a mix of face-to-face and virtual meetings and briefing sessions to maximise members' opportunities for engagement and participation. As Tony noted last year, it is testament to the sensible planning and actions taken by our University Executive Board and senior management team that we are again able to report a budget surplus for the 2021-22 year. This puts the University in a good position to respond to any continuing adverse issues the pandemic and wider insecurity may bring. Later in this report, we set out the significant corporate risks the University faces in pursuing its strategic goals and charitable objects.

Our successes remain largely due to the talent and contributions of staff and students from across the globe, as well as our roots in, and commitment to, our local community. We continue to nurture our local and regional partnerships in particular, recognising the important role the University plays in the city of Sheffield and the wider region, as one of its biggest employers and as a driver of economic growth and regeneration. Having last year launched Northern Gritstone, this year, for example, we launched the South Yorkshire Sustainability Centre in a partnership including the South Yorkshire Mayoral Combined Authority, the four South Yorkshire local authorities, Sheffield Hallam University, and a range of private and voluntary sector organisations.

This new translational research centre will help decarbonise organisations across South Yorkshire, putting our world-leading research and

expertise in the hands of our local community, as we work together towards our vital net zero targets.

The University of Sheffield has the research strengths and industry links to tackle some of the most pressing problems facing our world, and bring solutions. This year has seen the construction of the Sustainable Aviation Fuels Innovation Centre (SAF-IC), part of the University of Sheffield Energy Institute, which will give the UK much-needed testing capabilities to help producers of sustainable aviation fuels bring their fuels to the market. Located in the University of Sheffield Innovation District, home to the University of Sheffield Advanced Manufacturing Research Centre (AMRC), the new centre will establish South Yorkshire as the UK's leading place for innovation in sustainable aviation fuels.

Our work continues to identify and prioritise the investments in the University's physical and digital infrastructure necessary to provide an excellent educational, research and on-campus experience for students and staff now, and into the future. In addition to the Sustainable Aviation Fuels Innovation Centre, this year we completed the construction of a new Translational Energy Research Centre. Over the next year, we expect to complete the construction of our major new Social Sciences Hub facility and Gene Therapy Innovation Manufacturing Centre. The University has also agreed to implement and apply the Sustainable Buildings Design Standard to its estates capital projects. After two years without in-person graduation ceremonies, it was a particular privilege this year to be able to share with students and their families and friends that moment of collective celebration of their achievements. Our congratulations to our 2022 graduates and our best wishes for success in their future endeavours.

“The University of Sheffield has the research strengths and industry links to tackle some of the most pressing problems facing our world, and bring solutions”

We constantly seek to build our alumni network and encourage all graduates to join the global “family” of University of Sheffield graduates - an active network that can offer support and encouragement to students and fellow graduates. Our graduates often support us through philanthropic donations, large and small, made throughout the year. These allow us to enhance our research, broaden our activities in the field of widening participation, and support our students and graduates alike. This year saw an Appeal to fund a brand-new bioreactor for the newly constructed Gene Therapy and Innovation Manufacturing Centre, and through the generosity of alumni and friends, and participation in events like the Big Walk and the Sheffield Half Marathon, this essential piece of technology can now be installed. We are grateful to all alumni who have provided advice and guidance, and of course, who have supported us.

The achievements highlighted in this report would not exist without the dedication and commitment of our students and staff during yet another challenging year. I am proud of our individual and collective achievements, and look forward to working together to achieve our future ambitions as a world-leading University.

**Adrian Belton
Interim Chair and Pro-Chancellor**

Financial review

The University of Sheffield is reporting a healthy financial position as activities return to ‘normal’ compared to the previous financial year, which was impacted by national lockdowns. We have continued to adapt to our changing environment by developing dynamic solutions to ensure the successful delivery of our world-class teaching, research and innovation activities.

We continue to show great resilience in delivering our outstanding performance, as evidenced by recent National Student Survey (NSS) scores and the Research Excellence Framework 2021 (REF) outcomes. Research income has flourished, and our finances have enabled investment in our people and our facilities.

All of this has been made possible because of the dedication and determination shown by our fantastic staff and students, who make us the University that we are today.

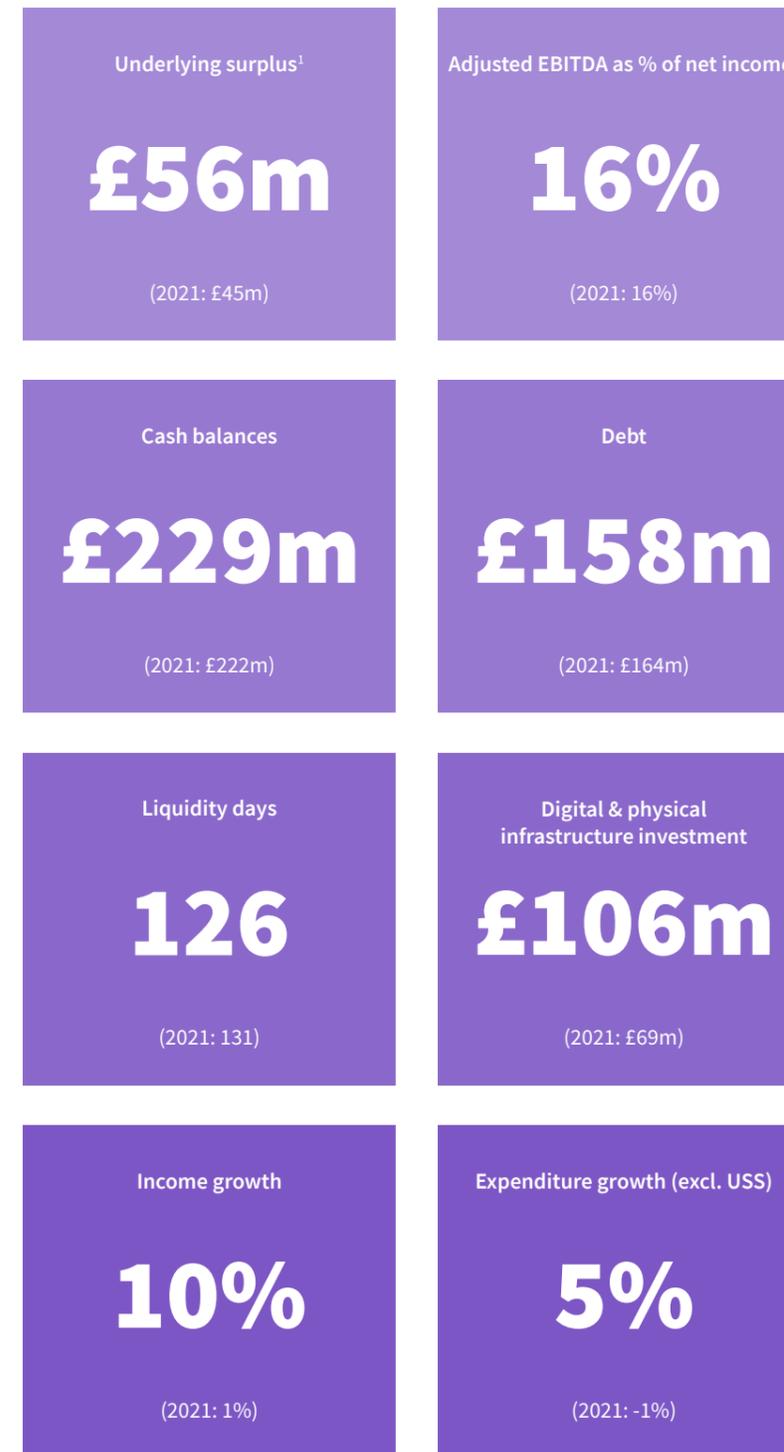
There is no denying that uncertainties and challenges lie ahead, but our results this year ensure we have the necessary solid financial platform to successfully navigate the future. Opportunities also lie ahead, and our finances give us the ability to harness new opportunities and to deliver our vision.

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 58.



Financial performance



¹ Underlying surplus (£56m) is calculated from the deficit before other gains/losses (£71m), by excluding:

- funding council capital grants and research capital grants (£46m)
- employee leave accrual movements (£2m)
- endowment income

and adding back:

- pension provision increase and related pension interest costs (£157m)
- research depreciation (£18m).

² Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is calculated from the deficit before other gains/losses (£71m), by excluding:

- capital grant income (£46m)
- investment income (£2m)
- endowment income

and adding back:

- pension provision increases (£155m)
- depreciation and amortisation (£74m)
- interest costs (£15m)

It is presented as a proportion of our net income (total income excluding capital grant income).

We are reporting an underlying surplus of £56 million. Our financial strategy includes the need to generate an underlying surplus for our long term financial sustainability. The surplus this year also reflects a unique position in time with income levels returning to pre-Covid levels but set against a quite different expenditure environment due to the mix of the legacy of Covid, the impacts of Brexit, a tight labour market, the impacts of geopolitical unrest in Europe, and impending inflationary increases.

Through generating this surplus we have been able to further bolster cash balances ahead of the undoubted cost pressures we will all be facing in the coming months and possibly years. Our forecasts and plans are for continued selective strategic investment in order to further our University. We are in a position to be able to achieve this whilst also managing, and wherever possible mitigating, the impact of inflation.

Our income growth of £78 million (10 per cent) is largely driven by growth of £9 million in fee income, £41 million in research activity, £12 million from residential operations, and £8 million from patents and licences income. This reflects both activity growth and a return to pre-Covid levels of activity with the campus remaining open for the full year and not being subject to the impacts of national restrictions.

Student fee income has remained strong throughout Covid with the University of Sheffield remaining a highly attractive option to students. Fee income has grown by two per cent to £379 million, and accounts for 46 per cent of our total income. We are one of only a handful of UK universities offering all teaching face-to-face and this has been in response to both student demand and our desire to provide an excellent and vibrant student experience.

Research income has grown by 25 per cent to £205 million, our highest ever level of research income with £14 million of this growth being attributable to research activity and a £28 million increase in associated capital grants. The 2021 REF confirmed our place as a world-leading university, demonstrating our research and impact excellence across a broad range of disciplines and that our research is having a significant positive impact on lives across the globe.

Other income has grown by £24 million to £133 million, being a growth of £23 per cent. Residences, catering and conferences income has grown by £13 million to £38 million. In the previous year, our students returned home from our residences and hospitality operations were closed during the lockdown period, which led to a dramatic reduction in income. This year, occupancy has returned to pre-Covid levels, and our residences have also supported incoming nursing cohorts as part of a government scheme. Trading levels have increased this year, with catered functions demand and conferences now being aligned to pre-Covid levels and trade in cafes is improving although at a slower pace. We have seen a 25 per cent increase to £42 million from patents and licences income, again demonstrating the impact of our research across the globe.

Our reported total expenditure is distorted by the Universities Superannuation Scheme (USS) provision increase of £155 million arising from the conclusion of the 2020 valuation. Excluding this, our expenditure has increased by 5 per cent to £738 million.

Our staff have again played a crucial role in achieving our financial position this year, and they remain our single largest item of investment at £397 million. We have continued to invest

in staff health and wellbeing and have embedded a broad range of tools and support mechanisms to provide ongoing support to our staff.

Other operating costs have increased by 16 per cent to £251 million, although a large contributor to this is lower than usual spend in 2020-21 as it was curtailed in response to Covid. Expenditure this year has returned to normal levels of activity with the campus being fully open throughout the whole year and a 'catch up' from the previous year. There has been a slight impact of Brexit and other geopolitical events on the speed of supply chains, mirroring the national picture. Price increases from either Brexit or inflationary pressures are not yet translating into results, although this is anticipated and is reflected in our forecasts which incorporate stress-testing a range of alternative inflationary scenarios.

In June 2022, S&P Global undertook their annual review of the University, commenting that *"the University is well placed to meet... challenges"*. Our outlook was revised upward to a positive outlook and our long-term issuer credit rating affirmed at 'A+'.

Cash and liquidity

We have actively managed our cash and liquidity position throughout the pandemic, and will continue to do so with the uncertain environment that we face. This ensures there is adequate funding available to withstand any unforeseen volatility or changes to our markets. We mitigate risks through continual monitoring and stress-testing of forecast cash and debt capacity, financial covenants and other related metrics.

We closely monitor our forecast cash balances and net liquidity days, including those under downside scenarios. We have a target of

holding a minimum of £125 million of available cash, although during the pandemic to ensure cash resilience we have been tracking against a minimum of three months revenue and capital expenditure, which is approximately £200 million.

This close management of our cash combined with the reported surplus has resulted in a strong cash performance. Our total cash at the year end is £270 million, comprising £229 million cash at bank, and £41 million in short-term investments. This sits against debt of £158 million including leases, with our Scottish Widows facility reaching maturity in November 2022.

Availability of, and access to, appropriate levels of cash remains vital for our operations and for the delivery of our vision. Our ability to repay debt, fund working capital and invest in infrastructure and the digital environment, depends upon our operating cash performance. Our cash performance also enables future strategic investment, allows us to invest in areas of growth, and will allow us to mitigate the risk of our uncertain environment.

Pensions

We are reporting a pension deficit provision of £285 million compared to £225 million in 2021. This is in respect of our two main pension schemes: USS and USPS.

Universities Superannuation Scheme (USS)

USS is a multi-employer scheme where our deficit share is £258 million at 31 July 2022 (£102 million: 31 July 2021). The outcomes of the 2020 valuation were concluded during this financial year and are included in the financial statements, and are the primary reason for the liability increase of £156 million.

The valuation saw the overall deficit of the scheme as a whole increase to £14.1 billion, of which we report our share on our Balance Sheet. Based upon this the Scheme Trustee agreed to implement a package of reforms from 1 April 2022 to conclude the 2020 valuation of the scheme. Employer contributions increased by 0.5 per cent. The salary threshold up to which guaranteed defined benefits are built up will reduce from circa £60,000 per annum to £40,000 per annum. Scheme members earning up to £40,000 per annum will see their guaranteed defined benefits (DB) build up more slowly, with a reduction in the accrual rate from 1/75 to 1/85. This has been deemed necessary in light of the increasing costs associated with DB pension provision. Members earning above the threshold will receive a 20 per cent contribution into their individual pension pot (defined contributions).

University of Sheffield Pension Scheme (USPS)

Our in-house scheme, USPS, has a deficit provision of £27 million at 31 July 2022 (£123 million: 31 July 2021). This is an improvement of £96 million compared to an improvement of £43 million in 2020-21 and illustrates the volatility of pensions. The improvement has changed almost entirely due to a change in the discount rate used to value the scheme's liabilities, which reflects an increase in bond rates.

The University continues to fund the deficit in the scheme and member benefits and contribution rates remain unchanged.

As this scheme is 'in-house', it is treated below operating profit as an 'actuarial gain/(loss) in respect of pension schemes'.

IT and infrastructure investment

Our physical and digital estate of £1.6 billion is central to the delivery of the University vision and allows us to provide world-class teaching, learning and research facilities for our staff.

We have returned to usual levels of investment following slowed investment during Covid. We have invested £106 million during the year on our digital and physical infrastructure, with £84 million of this being self-funded. This has been supplemented by £14 million of non-capitalisable digital infrastructure investment from our revenue account.

We continue to invest heavily in our digital infrastructure to ensure it remains fit for purpose, and enables the successful delivery of the latest dynamic ways of learning and working that emerged during Covid and have continued since. Cyber remains a risk and we continue to invest resources in this area. Our Technology Enabled Strategic Framework (TESF) is a rolling programme of digital investment, on which, this year, we have spent £11 million, of which £4 million is on the Balance Sheet and £7 million is in revenue expenditure. One of the impacts of increased digital spend is it is more likely to be treated as expenditure as opposed to being capitalised on the Balance Sheet, which impacts directly upon our reported surplus, and this factor is carefully considered in our planning for the future.

The new [Faculty of Social Sciences building](#) will be transformational for our education and social spaces with sustainability at its core, being the University's first net zero building once in operation. This accounted for £40 million of the £106 million investment during the year (with a

total project budget of £99 million). Further detail on this project and other key investments in infrastructure are detailed on pages 38-39.

Sustainability is an integral core value of what the University does and is reflected in the knowledge, engagement, collaboration and innovation of our activities. The University's sustainable aspirations are set out in the Sustainability Strategy. All our infrastructure investments are committed to supporting the University in achieving its sustainability objectives and are key to ensuring we reach net zero carbon emissions on campus.

Financial strategies

Financial strategy

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

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

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

Treasury management policy

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

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

Endowment investment policy

The University holds endowments of £46 million, with £6 million of this being within cash balances and the remainder in current asset investments.

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 and discourage poor behaviour through the screening of investments, either positively or negatively and through the direct engagement with firms. The University renewed its commitment to sustainable

investment by becoming a founding signatory of a new declaration of climate expectations at COP26.

Further details on the policy can be found [here](#).

Looking ahead

Many in the sector have commented that we are all facing unprecedented challenges and uncertainties. Our solid financial platform and cash balances have been built to provide us with resilience and a buffer to weather future volatility or sudden market changes.

Covid restrictions have eased within the UK, but Covid has not gone away and future waves are probable, with the severity and any future restrictions being naturally unknown. Different nations are responding to Covid with varying approaches, and as an international university we are in a position whereby we can continue to provide a quality education to all our students irrespective of their local circumstances. We have successfully delivered teaching and research across the globe throughout Covid and know we have the right innovative solutions in place to do so again, if required.

Brexit has had an impact, and will continue to do so, such as how we participate in EU research programmes with the UK government providing a 'Horizon Europe Guarantee', impacts upon the supply chain, or the impact upon our staff and students from the EU.

Inflation is currently at a 40-year high with projections stating this could continue until 2024. This has a direct impact upon us, such as to our cost base. The UK government has announced that the home tuition fee set at £9,250 from 2017-18 will be frozen until at least 2024-25, which

“We are proud of our past, yet it's the future that really excites us”

benefits students, but compounds the inflationary pressure upon the sector. We have inflationary assumptions built into our planning and we are regularly stress-testing these assumptions.

Where possible, we are mitigating inflation increases through procurement techniques such as fixed price contracts. For instance, our gas is on a fixed-price contract until 2025, although our electricity will be subject to inflationary pressures sooner as its current contract expires in 2023. We continually seek enhancements and efficiencies as a matter of good practice. However, there is only so far these mitigations can protect us from the impact of inflation and we know it will impact upon our operational and capital expenditure. Whilst our cash balances give us the headroom to manage this pressure, we also need to deliver an underlying surplus.

Recognising the need to invest in our staff, in July this year we announced a change in our grade boundaries, resulting in an increase in pay for a majority of colleagues with the University committing at least an additional £6.3 million per year into staff salaries. More than 5,000 colleagues will get a salary increase of up to 6.5 per cent as a result of these changes and on top of the nationally agreed pay uplift of at least three per cent which applied to all of our staff.

We cannot just focus on the challenges ahead. We must take advantage of fresh opportunities through innovative

solutions. We have our University vision and our plans for the future are built around the successful delivery of our strategy. It is critical that we invest in our future.

The student demographic is increasing after years of decline with the media regularly reporting on increased demand for finite higher education places. Our plans are built around the growth of the highest quality students, rather than simple volume growth. We want to continue to offer an excellent education, both with, and for, the very best students from around the world.

In the coming year we will be finalising the Estates strategy and the carbon strategy that underpins the delivery of our activities. The final piece in the jigsaw will be finalising our financial strategy, which will ensure the ongoing long term financial sustainability and resilience.

We are well placed to seize opportunities ahead and to navigate the flux of changes that continue to come our way. As stated in our vision: “We are proud of our past, yet it's the future that really excites us”.



Our vision and strategy

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

Research

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

Innovation

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

Education

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

One University

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

Making our vision real

During 2021-22, we have continued to implement a new approach to strategic planning across the University.

We worked hard to deliver Strategy Delivery Plans for each of the four pillars. These plans lay out the actions that we will take to achieve our vision and the timeframes for their completion. An overview of our achievements this year is provided in each pillar section of this annual report.

Faculties and all academic departments developed medium term plans using our Strategic Department Framework. The framework helps academic departments think about their contribution to the vision and targets as part of our planning through to 2027.

We agreed aims for the size and shape of the student population that we aspire to have by 2027. This work provides clear strategic objectives and informed student intake target setting across all academic departments.

Our progress

To assess our progress towards the ambitions outlined in the vision 2020-2027, we have a suite of performance indicators and targets. The indicators inform target setting across the University and are regularly reviewed in the context of the changing internal and external environment.

The performance indicators use a mixture of comparative and absolute measures to assess the University's performance. They sit alongside the narrative overviews of each pillar in our Annual Report to provide a rounded picture of the University's performance, achievements and challenges.

Key performance indicator	Direction of travel	University vision pillar
Research excellence		Research
Research income		Research
PGR student experience		Research
Knowledge exchange		Innovation
Student experience		Education
High-achieving applicants		Education
Widening participation		Education
Staff diversity		One University
Reputation		One University
Financial sustainability		One University
Environmental sustainability		One University

Research



Our researchers generated outstanding results through pioneering work that continues to have global impact, from applying machine learning to analysing the genetics of Covid-19 to launching East Africa's first combined solar energy and agriculture system.

Celebrating our REF 2021 results

The REF assesses the quality and impact of research in UK universities. We were delighted when [92 per cent of our research](#) was rated world-leading or internationally excellent, the highest two categories, in the REF 2021. These results show the quality of our research across disciplines. Overall, we submitted to 25 different REF units of assessment. Our submissions featured all of our 1,690 independent researchers, 3,684 research outputs and 114 impact case studies.

Our interdisciplinary approach

Our interdisciplinary approach is key to the success of our research projects. We were delighted to be one of the [first recipients of a new award](#) from the Alan Turing Institute, the UK's national institute for data science and artificial intelligence (AI). The award, which is just one example of our interdisciplinary approach in action, will accelerate our efforts

around data science and AI and will bring together experts from across our University in medicine and health, manufacturing and humanities.

Collaborating for a sustainable future

Researchers from our School of Biosciences and linked to our [Institute for Sustainable Food](#) have launched [East Africa's first combined solar energy and agriculture system](#). The initiative has been funded as part of UKRI's Global Challenges Research Fund (GCRF) Collective Programme and brings together a wide range of experts and stakeholder groups, including farmers, engineers, energy developers, agricultural scientists, policymakers and community groups. This interdisciplinary approach underpins the University's research in sustainable development, food and energy security.

Building our postgraduate and early career research teams

Essential to all our research is the incredible work of our postgraduate and early career researchers. We were delighted that Dr Alice Pyne, Dr Tatyana Shelkvnikova and Dr Neil Stewart were again [recognised this year as some of the UK's most talented in the UKRI Future Leaders Fellowships](#).

We are pleased to have been awarded funding for three projects that aim to improve access and support to postgraduate research for Black, Asian and Minority Ethnic (BAME) students. We are also working in partnership with the Stuart Hall Foundation to provide two new studentships for [Black British students applying for a PhD in the White Rose Doctoral Training Partnership](#), as well as the Neon consortium to ensure we have a clear strategy to support a more diverse postgraduate research community.

Excellent support for early career researchers

We have introduced measures to [implement the Concordat to support the career development of researchers](#). The Concordat is an agreement between funders and employers of researchers to improve the support and professional development of researchers and their careers in UK higher education. As a signatory, we commit to regularly reviewing and reporting our progress, sharing practice across the sector, and helping to ensure ongoing improvement over the next decade. One of our first steps has been to develop a charter for early career research staff and a charter for the development of research staff by their line managers and the University.

Open research

We are leading enhancements in excellent research practices. This year, we have secured funding to pioneer new approaches to participatory research and have been awarded a major new Research England Development grant, led by Dr Tom Stafford in Psychology, to [spearhead the drive to open research](#).

Machine learning uncovers genetic drivers of Covid-19

Our researchers discovered that genetics play a significant role in why some healthy adults with the Covid-19 infection become seriously ill, whilst others have few symptoms. Led by Dr Johnathan Cooper-Knock, Department of Neuroscience, the team [identified more than 1,000 genes linked to the development of severe Covid-19](#) and which particularly affect the function of a certain type of white blood cell known as Natural Killer or NK cell. This is one of the first studies to link coronavirus-associated genes to specific biological functions. Their findings lay the foundation for a genetic test that can predict who is born with an increased risk for severe Covid-19.

Rapid vaccines for range of diseases

We have developed [new ways to rapidly develop and mass manufacture vaccines and treatments](#) at low cost and high quality. Harnessing the power of messenger RNA technology, our work will accelerate the development of new vaccines and treatments for viruses and major diseases, such as cancer, immune disorders, cardiovascular conditions and many more. Led by Dr Zoltán Kis, Department of Chemical and Biological Engineering, the team is now establishing a state-of-the-art production unit that can be used by developers

and manufacturers and that will be capable of rapidly producing vaccines in response to future pandemics.

New Centre for Care

Our social scientists secured [£10 million in funding to lead a new Centre for Care](#) to address the urgent need for accessible research and evidence on social care. Led by Professor Sue Yeandle, the new [Economic and Social Research Council \(ESRC\) Centre](#) will provide robust research evidence to support government and decision-making and help address pressures and inequities in how people of all ages experience social care.

Genes and the environment

Our scientists led the first full study on epigenetics and evolution thanks to a £1.5 million award from UKRI. Led by Professor Jon Slate, School of Biosciences, the team will look at [how environmental factors affect our genes](#) and how this could affect our offspring and later generations. The project is one of five awarded funding as part of the Natural Environment Research Council's 'Pushing the Frontiers' scheme.

Uncovered files and new revelations

Professor Dominic Broomfield-McHugh, Department of Music, uncovered [never-before-seen drafts](#) of one of the most popular musicals in Broadway history - The Music Man. The discovery reveals the musical's writer Meredith Willson's unusual combination of experiences that led him to compose the musical at the age of 55. The newly discovered drafts and new insights into the writer's life and career have been published in a new book *The Big Parade: Meredith Willson's Musicals from The Music Man to 1491*.

Flagships

Last year saw our four flagship research institutes continue work across academic disciplines on some of the world's most significant challenges.

Neuroscience Institute

Pioneering research from our [Neuroscience Institute](#) has seen scientists develop a machine learning model to identify new risk genes for motor neurone disease (MND). This important work is backed by a new multi-million-pound gene therapy innovation centre and [£4.25 million grant](#) to discover meaningful MND treatments in years, not decades. Professor Christopher McDermott, Professor of Translational Neurology, was also [recognised by the National Institute for Health Research](#) with the highly competitive Research Professorship.

Energy Institute

Our [Energy Institute](#) is driving research that supports global efforts to reach net zero carbon emissions by 2050. Supporting that work, a new Sustainable Aviation Fuels Innovation Centre – the first of its kind in the UK – [reached a key construction milestone](#) and will launch in 2023.

Working with local and international aviation partners, including [founding member, Boeing](#), the centre will be a unique and vital asset to the UK's aviation industry. Membership gives Boeing access to the first-of-its-kind facility in the UK, with the company set to use the centre to test, develop and assess new sustainable aviation fuels.



Healthy Lifespan

A team of researchers from the [Healthy Lifespan Institute](#) launched the [UK's first ever Sexual Rights Charter](#) designed to help tackle discrimination faced by older adults regarding sex and relationships.

The charter was created as a result of extensive consultation with the public, professionals, and organisations in Sheffield, and will help GPs, health care professionals, service providers and the community develop inclusive practices and policies.

We also carried out research into [sleep and its positive impact on mental health](#), as well as a [landmark study into the effect of music on stress and anxiety](#), which covered 11 countries and included more than 5,000 participants.

Institute for Sustainable Food

Researchers in the [Institute for Sustainable Food](#) studied 30-year changes in the Brazilian diet and found [increased consumption of ultra-processed foods is linked to worsened impacts on the environment](#). The findings suggest that diet-related diseases and climate change share an underlying driver and therefore, should be addressed simultaneously. The study was the first of its kind to monitor dietary changes over such a long period of time and provides vital data to address the issue.

Our [research on changes to agricultural policy](#) was cited in a report from the House of Commons EFRA Committee, and our research on food as a human right informed the European Commission's 'Farm to Fork' strategy.



Innovation

Our groundbreaking work across multiple disciplines continues to transform society and forge innovative new paths in industry.

Northern Gritstone

We successfully [launched Northern Gritstone](#), a new investment company that finances university spin-outs and intellectual property-rich start-ups in the north of England. A collaboration with the Universities of Leeds and Manchester, the company has raised £215 million and is targeting a cumulative £500 million by the end of 2022. Northern Gritstone's first two investments provided a combined £8.3 million to [Sheffield-based companies](#).



Bright ideas into global opportunities

We received £4.29 million funding from UK Research and Innovation (UKRI) through the Impact Acceleration Account (IAA) to [jumpstart the early-stage translation of research](#). The funding will help turn our researchers' ideas into meaningful impact for people across the UK. The IAA programme has already provided early-stage support to projects that are now established global businesses, including Rinri Therapeutics and Geoptic Ltd.

Developing sustainable aviation fuel

A key construction milestone in a new centre set to establish South Yorkshire as the UK's leading place for research and development in sustainable aviation fuels was reached. The [Sustainable Aviation Fuels Innovation Centre](#) will provide world-leading and state-of-the-art facilities to test, certify and deploy new sustainable aviation fuel, which will reduce carbon emissions associated with flying. This centre is the first-of-its-kind sustainable aviation fuel facility in the UK.

Immediate impact for AMRC North West

The [Advanced Manufacturing Research Centre \(AMRC\) North West](#) opened and has already had an impact in the region. With £5 million from the European Regional Development Fund (ERDF), its [RADAR programme](#) offers fully-funded support projects and collaboration opportunities for Lancashire's small and medium-sized enterprise (SME) manufacturers. The AMRC Economic Impact Report shows every £1 of investment in the programme has £4.51 of impact for the region's aerospace SME community.

Made Together: regenerating our region

We worked with organisations and individuals across South Yorkshire to [launch the Made Together programme](#), a major regeneration initiative to make our region healthier, greener, more vibrant and innovative for all. Work so far has included cultural events, such as 'Together in the Square' and bringing Little Amal, a giant puppet of a 10-year-old Syrian refugee girl, to the city.

We also supported Sheffield City Council in its successful Future High Street Fund bid.

Top-tier innovation with Siemens

Building on our long-standing relationship with global technology giant Siemens, we have been chosen in its [top tier of innovation partners](#) as part of its new Research and Innovation Ecosystems (RIE). We were assessed to be in the world's top 10 universities for one or more of the fields of interest to Siemens for collaboration. Our research remit will focus on the future of manufacturing and the partnership reinforces our commitment to collaboration with the aim of advancing global research and innovation.

More spin-out success

Our portfolio of commercial spin-out companies continues to thrive through close partnerships and funding opportunities. Examples include: [Opteran](#), a 'brain-biomimicry' start-up that raised £10 million in investment; Aegiq raised [funding of £4m](#) to bring its quantum photonics platform to market; Fourjaw, a spin-out from the AMRC, raised £1 million in private investment.

We also secured ESRC funding to develop an [innovative programme](#) to enhance our Commercialisation of Research out of Social Sciences (CRoSS). Nicola Dickens is our first Social Entrepreneur in Residence supporting the entrepreneurial and innovative work of our researchers.

Researcher Joe Price [won the Royal Academy of Engineering \(RAEng\) Enterprise Fellowship](#) for his work with microbial engineering technology spin-out company, Evulor.



Leading the green revolution

Nuclear AMRC is working with Rolls-Royce on the next phase of its small modular reactor (SMR) development programme. The Rolls-Royce SMR will play a huge part in the UK's journey to net zero emissions. Because it's designed in the UK and will be manufactured here, it can also help drive the economic revival of our industrial heartlands. The programme received £210 million government funding and has been match-funded by more than £250 million of private investment.

Next-gen materials at new Royce Discovery Centre

We opened our state-of-the-art [Royce Discovery Centre](#), where the next generation of materials are set to be developed. The new centre will provide UK manufacturers across all sectors access to expertise and facilities to develop and test new materials for new technologies. The facility will help address a gap in UK innovation by reducing the cost and timescale involved with translating these advanced materials into real-world products.

Drive for net zero in South Yorkshire

Working with organisations across the region, we will lead a new [South Yorkshire Sustainability Centre](#). The centre will connect world-leading research with regional partners to co-design solutions to regional and global sustainability challenges. It will also help catalyse our region's plan to reach net zero emissions by 2040, create jobs and grow and attract new businesses and investment.

Launching the University of Sheffield Player

We launched the [University of Sheffield Player](#) to staff and students - a fantastic new multimedia platform with more than 300 videos and podcasts showcasing the full breadth of what the University offers. Highlights include lectures, interviews and animations on our work in politics, virtual reality and hidden histories.

Education

The University has reaffirmed and built upon its position as one of the world's leading universities for teaching and research. We've developed our distinct portfolio of programmes and launched initiatives that make our offer more accessible to all students. By working closely with industry partners, we continue to ensure our students gain the skills they need to succeed.

Reputation and rankings

The University came third in University of the Year and second in the Student Life category at the Whatuni Student Choice Awards. Our fantastic Students' Union was voted best in the UK for the fifth year running.

The QS ranking saw the University achieve exceptional rankings in engineering and technology, social sciences, law and education. In arts and humanities, we ranked [67th out of more than 600 universities worldwide](#).

Times Higher Education named the University as [one of the most international universities in the world](#). In its highly-regarded league table, we ranked 48th globally and 14th in the UK to cement our outstanding reputation worldwide.

Student voice

According to the latest National Student Survey (NSS), the University's courses are some of the best-regarded in the country, with overall satisfaction among students at 78 per cent. 11 of the subjects we teach were ranked number one in the Russell Group for overall satisfaction, with a further 21 voted in the top five. Gathering and acting on feedback from our students is vital for us, and the NSS and its results give us a really clear and useful insight into what it is our students want and need.

This year, we ran a successful pilot survey with the Office for Students (OfS) and IPSOS to improve the academic experience for postgraduate taught students. We also continued to develop 'Tell Us', our modular feedback system, and are embedding the insight it gives us into our annual reflection process and using it to help us understand how well a range of initiatives are working.

Digital

We were delighted to see our students return to campus. Following the return to in-person teaching last year, we have focussed on how we can use digital learning and teaching to support our excellent and inspiring teaching. We have developed a deep understanding of the digital landscape, developing a consistent, inclusive digital learning experience for all our students. As part of this we defined Digital Core Essentials. Covering six key areas, they help ensure every student gets the same digital access and support.

We carried out an inclusivity-focused review of digital campus spaces and our virtual learning environment and we've also improved the day-to-day student experience through better, more accessible digital products, such as tools for captioning and online marking.

Embracing virtual reality and immersive learning, the University started using Wonda, our first centrally supported 360 media platform. Staff can use it in a range of teaching scenarios, including field trips, laboratory sessions and observational skills.



Employability and experience

We continue to provide learning experiences outside the curriculum and build our students' skills and self-awareness as graduates.

We were ranked 8th in the [High Fliers](#) list of 'Most Targeted Universities by Employers' – our highest ever ranking.

We have seen an 84 per cent increase in the number of students using 'mySkills' - a unique portfolio tool designed to help our students reflect on the skills they are gaining and their personal development in a way that is unique to the sector. We have also done further work to integrate mySkills within later years of undergraduate and postgraduate programmes, as well as a wide range of extracurricular activities, student work experiences and sport.

The [Sheffield Undergraduate Research Experience \(SURE\)](#) scheme welcomed its largest ever cohort of undergraduate researchers, including the highest number from widening participation groups. The scheme helps students gain valuable research experience

and develop transferable skills that benefit their current studies and their life and work beyond university.

Student support

We appreciate that it has been a challenging time for our students and we continue to provide high levels of support.

Significant additional resources have been directed to support student academic skills development. This is an important area of provision for students, many of whom are continuing to experience the impacts of the pandemic. Additional one-to-one appointments have been combined with an extended programme of study skills, maths and statistics workshops. This has been supported with new interactive digital resources, allowing students to access guidance and support at a time that is convenient for them.

The Immigration Advice team further extended their support service to international students by offering face-to-face drop-in on Level 3 of the

Students' Union and have increased live chat sessions to five days a week, which allows prospective and current students to have immigration queries answered instantly.

We have continued to offer support for students experiencing unexpected financial difficulties with tailored fee payment plans.

Enhancing learning with support plans

We introduced a new digital system to enhance the sharing of Learning Support Plans for students who are supported by our Disability and Dyslexia Support Service. All University areas should have access to the service in 2023.

This system has improved the experience of our disabled students by ensuring that all staff members who support a student's teaching and learning are aware of and implementing the support recommendations and adjustments they need to perform their best.

Transforming and Activating Places project

We had a successful second year of Transforming and Activating Places (TAP), our two-year student knowledge exchange project. TAP brings together 140 students from under-represented backgrounds with organisations and businesses from Sheffield and across the UK. Funded by Research England and the Office for Students, the programme sees students gain important experience through workshops and internships with some exciting organisations already involved in the scheme, including Age Better Sheffield, and theatre company Forced Entertainment. Those organisations get the benefit of working with our talented students, who bring great value, enthusiasm and a willingness to learn.

NHS apprentices making a difference

The University's apprentices continue to make a [major contribution to frontline NHS services](#) and across industry. Our Health Sciences School saw a total of 110 Nursing Associates complete their apprenticeships with an achievement rate of 80 per cent, much higher than the national average. Many students directly cared for critically ill people in local hospitals, hospices and GP surgeries. Undergraduate nursing student [Emma Peet received a Student Nursing Times Award](#) in the 'Student Nurse: Clinical Research' category.

Diversity in engineering

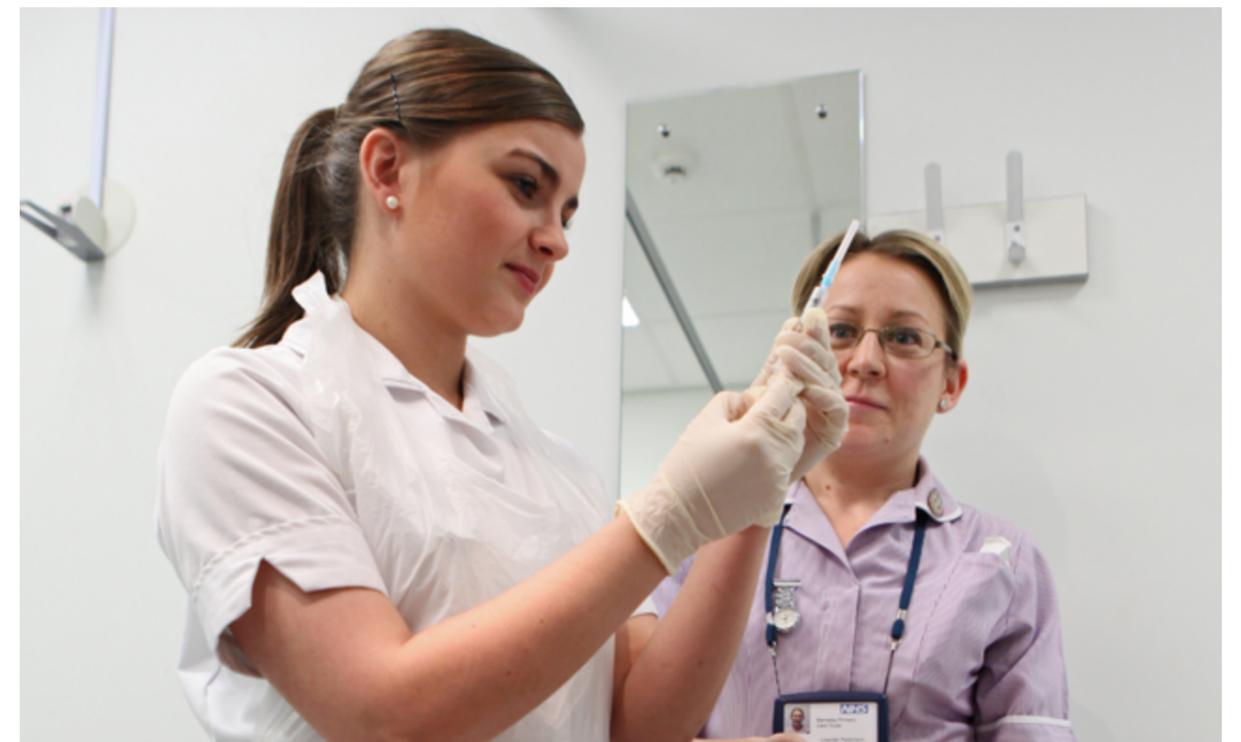
Thanks to £95,000 funding from the Royal Academy of Engineering, our [Diversity Confidence in Engineering \(DiCE\)](#) programme is providing students equal education and career outcomes. Building on issues identified by student-led inclusivity projects, the programme includes activities and training to create a more inclusive student journey, academic community and learning environment.

Building confidence and career progression

Our students have been involved in a variety of work placements and internships to help improve their confidence and employability following graduation. Workplace Insights is a new internship scheme launched this year to match 131 students with practical projects specific to their discipline. Working with partner organisations gave students with limited work experience the chance to apply their skills in a professional setting. All those partners said they want to continue the scheme and 99 per cent of students said the internships increased their confidence and developed their skills. Our new Leaders in Law programme delivered networking events to remove barriers into the legal profession for widening participation (WP) students. Meeting law leaders and visiting company offices improved their understanding and increased their confidence. We gave 31 students an introduction to the tech world through Launchpad, a new development programme. Combining study sessions and placements with early-stage startups provided a fantastic first step into the UK startup scene.

Degree placements supporting the local community

Our Psychology degree introduced a new work-based learning module to provide students with the opportunity to apply what they have learned in their first two years of study. A six-week, part-time placement completed alongside their other third year modules will see students work alongside local community partners. They will complete project work that makes a tangible contribution to an organisation, local community, or specific service user groups. For our students, it's a chance to see how professionals from different psychology, health, education, social work, youth work and other backgrounds work together to improve the health and wellbeing of local communities.



Student recruitment

Home students

Despite continued uncertainty leading up to 2021–22, the University had another successful year recruiting students to its programmes. Home undergraduate numbers continued to increase across the board, including levels of recruitment from state schools and low-participation areas.

We led the sector with our return to on-campus open days. Students were able to visit Sheffield and experience all that the University offers, so that they were able to make informed decisions about their future. We

improved online recruitment and engagement opportunities to make information about the University more accessible to all and we improved our schools liaison strategy to make sure teachers and pupils had accurate and timely information. Measures to improve the application process following Covid-19 allowed us to send decisions to applicants more quickly.

International students

We continued to attract some of the world's brightest students to our University with 2021-22 registrations showing strong performance at undergraduate level. Although ongoing uncertainty related to Covid, particularly from the China market, had a slight impact on postgraduate taught numbers, growth at undergraduate level including a number of diversity markets aligns with our strategy to reduce our reliance on postgraduate- taught students and secures three years+ of tuition fee income for the University.

Full-time students

	Undergraduate			Postgraduate			Total
	Home/EC	Overseas	Sub total	Home/EC	Overseas	Sub total	
Faculty of Arts and Humanities	1,922.5	125.5	2,048.0	322.0	598.0	920.0	2,968.0
Faculty of Engineering	3,207.0	1,324.0	4,531.0	489.0	1,192.0	1,681.0	6,212.0
Faculty of Medicine, Dentistry and Health	2,585.0	133.0	2,718.0	419.0	309.0	728.0	3,446.0
Faculty of Science	2,830.0	382.5	3,212.5	736.0	316.0	1,052.0	4,264.5
Faculty of Social Sciences	3,921.5	1,896.0	5,817.5	990.0	3,192.0	4,182.0	9,999.5
Advanced Manufacturing Research Centre	88.0	1.0	89.0	-	1.0	1.0	90.0
Department for Lifelong Learning	117.0	-	117.0	-	-	-	117.0
Grand total	14,671.0	3,862.0	18,533.0	2,956.0	5,608.0	8,564.0	27,097.0

Part-time students

	Undergraduate			Postgraduate			Total
	Home/EC	Overseas	Sub total	Home/EC	Overseas	Sub total	
Faculty of Arts and Humanities	40.0	1.0	41.0	191.0	31.0	222.0	263.0
Faculty of Engineering	68.0	65.0	133.0	44.0	30.0	74.0	207.0
Faculty of Medicine, Dentistry and Health	90.0	6.0	96.0	651.0	102.0	753.0	849.0
Faculty of Science	66.5	9.0	75.5	93.0	6.0	99.0	174.5
Faculty of Social Sciences	51.5	34.0	85.5	605.0	64.0	669.0	754.5
Advanced Manufacturing Research Centre	38.0	-	38.0	1.0	-	1.0	39.0
Department for Lifelong Learning	10.0	-	10.0	-	-	-	10.0
Grand total	364.0	115.0	479.0	1,585.0	233.0	1,818.0	2,297.0

Additional students

Students on year abroad including Erasmus	325.0
Students on work/industrial placements	410.0
Total	735.0

First degree award classifications

	1	2.1	2.2	3	Pass	Total
Faculty of Arts and Humanities	193.0	351.0	30.0	2.0	4.0	580.0
Faculty of Engineering	497.0	529.0	129.0	19.0	16.0	1190.0
Faculty of Medicine, Dentistry and Health *MB ChB & BDS do not follow the same class structure	55.0	63.0	18.0	2.0	332.0	470.0
Faculty of Science	274.0	452.0	95.0	7.0	5.0	833.0
Faculty of Social Sciences	382.0	751.0	202.0	9.0	18.0	1362.0
Board of Extra Faculty Provision	-	1.0	-	-	1.0	2.0
Grand total	1401.0	2147.0	474.0	39.0	376.0	4437.0

Certificates and Diploma awards

	Diploma	Cert	Total
Faculty of Medicine, Dentistry and Health	1.0	45.0	46.0
Faculty of Science	-	14.0	14.0
Grand total	1.0	59.0	60.0



One University

We deliver our best life-changing research, innovation and education when we work as One University. Through our continued commitment to equality, diversity and inclusion, we are building a collaborative community that is rich with talent and open to all.

Grade boundaries

We are investing an additional £6.3 million per year in staff salaries as part of changes to our grade boundaries. We worked alongside our local trade union colleagues on the changes that, together with the national pay award, saw more than 5,000 colleagues receiving up to a 6.5 per cent pay increase, and some colleagues receiving an increase of up to 16 per cent. The changes mean that our minimum pay rate will be £11.03 per hour.

New Faculty Directors

Our University vision features four pillars: Research, Education, Innovation and One University. To support the delivery of the priorities of the One University pillar we have created five new Faculty Directors of One University, as well as equivalent leadership for Professional Services. The new One University Directors will lead various projects and initiatives in relation to equality, diversity and inclusion, wellbeing and sustainability to help create sustained improvement and positive change.

Disability Equality Strategy and Action Plan

In spring 2022, we launched our new [Disability Equality Strategy and Action Plan](#) to improve the experiences of our disabled staff and students. A new Staff Disability Adviser has been appointed to provide expert support and offer guidance to staff and managers, including how to make positive changes in the workplace.

The University has also joined the Business Disability Forum, which gives managers access to high quality advice and support.

Mental health and wellbeing

Utilising the [University Mental Health Charter](#), we continue to adopt a whole-university approach to mental health and wellbeing. In March 2022, we approved an updated [Mental Health Strategy](#).

In May 2022, we launched a revised [Stress Risk Management Policy](#) and [associated guidance](#) that takes a more proactive approach to managing and controlling the causes of work-related stress.

Over the last year, we have promoted the [Access to Work Mental Health Support Service](#), which provides free confidential mental health support for stress, anxiety, depression and low mood in the workplace. Staff and managers have been invited to attend information sessions hosted by the Department for Work and Pensions (DWP) and Remploy outlining the service.

The University's Counselling Service (UCS), which was the first University to be accredited by The Royal College of Psychiatrists and British Psychological Society (APPTS), was praised highly in a recent review for its responsiveness and short waiting times.

We have also introduced three new student support groups: a Student-Parent Group, a group on Mental Health and Masculinity, and a Lunchtime Peer Support Group for neurodivergent students.



Reducing the gender pay gap

Our latest gender pay gap report in 2021 showed that the gap has reduced to 8.4 per cent, down from 11.1 per cent in 2017 and closer to our ambition to reduce the gap by five percentage points by 2025. The 2021 figures show a reduction in both our mean and median gender pay gap compared with the three previous years, which once again compares well to other Russell Group universities. Our Senate and Council Committees now have an overall average of 44 per cent female membership. Six out of 13 colleagues on our Executive Board are female, including our Deputy Vice-Chancellor.

Race equality

We continue to deliver against our priorities in our Race Equality Strategy and Action Plan and are working towards alignment with the [Advance HE's Race Equality Charter](#), which aims to improve the representation, progression and success of minority ethnic staff and students within higher education.

We launched dedicated training on race equality for all staff and postgraduate researchers, as well as a programme of training on providing support to our BAME community of students.

We have appointed a dedicated member of staff in Student Recruitment and Admissions to address our representation and encourage more students from BAME backgrounds to apply to Sheffield.

Developing a common framework

We have developed a number of Equality, Diversity and Inclusion (EDI) strategies and action plans in recent years, and will be launching two new strategies in 2023: 'LGBT+' and 'Religion, Belief and Non-belief'. Further to this work, we have identified common themes across all of our EDI strategies and have used this to create a common framework. Standardising the format will enable us to avoid duplication, ensure we use resources efficiently and be able to easily identify and consider issues of intersectionality, including organisational culture, student recruitment, progression and outcomes, and staff recruitment and progression. We have also launched an ambitious programme of EDI training and development that features a range of guidance on topics including [how to manage inclusively](#).

Alumni and philanthropy

We are grateful for the support of our alumni, friends, volunteers and donors, who have made a difference to the lives of thousands of students by gifting and pledging £5.7 million of new charitable support over the year.

Forged in Sheffield

The Campaigns and Alumni Relations team are embarking on the University's first institution-wide fundraising and engagement campaign.

The campaign is designed to accelerate important avenues of research and provide greater support to our students at scale. Focus group meetings have taken place with alumni, friends and key regional partners.

Group briefings, with over 60 high-net-worth individuals, trustees and influencers have taken place across the year, held in Sheffield, London and New York. The campaign will be officially launched to the public in 2023.

Our alumni volunteers

1,200 alumni and friends gave over 15,000 hours to support key strategic areas, with 6,500 students benefiting from alumni support. For the first time, Coach Café, our inspirational programme of alumni-to-student online networking events took place for every faculty. Over 240 alumni volunteers shared their professional experiences and advice with 664 current students to support them in their chosen careers, with a significant proportion of attendees coming from widening participation backgrounds. Our flagship [London City Connections](#) and [Northern City Connections](#) programmes saw a welcome return this year. Through this inspiring initiative, 75 students from widening participation backgrounds benefited from the skills, knowledge and connections of alumni in a range of professions.



The Firm

We launched The Firm, a new alumni-supported initiative that helps Law students learn more about legal careers. Part of The Susan Crosbie Leaders in Law Programme, it was made possible thanks to a gift in memory of alumnus Mark Crosbie. We also added a new programme called Ask a Graduate to support international student recruitment through online panel events hosted by our international alumni volunteers. It aims to help international prospective students make the right decision about their future career. 35 alumni from 19 different countries volunteered their time. 10 sessions were held with a total of 986 offer holders attending.

Big Walk 2022

325 walkers and more than 100 volunteers took part in the Big Walk 2022, helping to raise over £73,000 for genetic disease research at the University. That contributed to the £200,000 target which has been raised to build a bioreactor at the new Gene Therapy Innovation and Manufacturing Centre (GTIMC), located at the University's Innovation District. The new bioreactor will help researchers find new treatments for genetic diseases such as motor neurone disease (MND), dementia and other rare inherited diseases.

Increase in scholarships awarded

The autumn student telephone campaign was relaunched in November, following a break in 2020 due to Covid restrictions. The new team of student callers exceeded the target forecast and raised over £120,000. We awarded 260 scholarships worth between £3,600 to £6,000 to undergraduates for the Experience Sheffield Scholarship scheme – which is an increase of 31 compared to the previous year.

Sustainability

We are continuing our work to embed sustainability in everything we do, with the ultimate aim of being one of the most sustainable research-intensive universities in the country.

Through our research we are finding practical solutions to global food, energy and climate challenges. Our teaching equips our graduates with an understanding of the challenges facing the planet and how to use their skills and knowledge to make a difference. We are also working to ensure that our campus and operations lead by example and have a positive impact on our local and regional environment.



Representing the University at COP26

We are one of a small number of UK universities awarded passes for the Blue Zone at the UN's Conference of the Parties (COP), including COP26, held in Glasgow in 2021.

A number of our senior academics, early careers researchers and PhD students attended, spoke and took part in debates at COP26, sharing the University's research, expertise and knowledge with global leaders on topics relating to climate change and sustainability.

Renewing our commitment to sustainable investment

We have become a founding signatory of a new declaration of climate expectations, which sets out the minimum climate commitments it expects from the companies managing its investments.

The new declaration is a [reaffirmed commitment to ensuring our investments are managed sustainably and responsibly](#), building on our divestment from shares in fossil fuel companies completed in 2018.

A Green Impact on campus

This year saw 19 teams take part in the Green Impact programme. Run in conjunction with SOS-UK (part of the NUS), Green Impact is now in its fourteenth year at the University.

This year's teams completed 40 projects across campus, reaching more than 4,500 staff and students with activities such as litterpicks, urban gardening, energy reduction campaigns and sustainable food initiatives.



This will reduce plastic milk bottle use by 87,000 per year, and reduce the carbon footprint of our milk deliveries by over 65 per cent - equivalent to 6.5 tonnes of CO₂ every year.

Fulbright and Gilman scholars

The Grantham Centre for Sustainable Futures is a collaboration between the University and [Grantham Foundation for the Protection of the Environment](#). This year the centre welcomed 100 Fulbright and Gilman scholars for a week-long conference that showcased our academic content on the theme of Climate Change and COP26.

Strategy, governance and risk management

Our current [sustainability strategy](#) was published in 2020 and runs until 2025. It outlines the key principles of our approach to sustainability, as well as our areas of focus. A live sustainability action plan details the individual actions we are taking to fulfil the commitments outlined in our strategy. Our ambition to achieve net zero is a central University Key Performance Indicator (KPI) that is monitored by the University Council.

Our Sustainability Steering Group is a formal sub-group to the University Executive Board (UEB) and provides high-level accountability for sustainability work at the University. It reviews the risks and opportunities presented by climate change and makes sure we deliver on our key emissions reduction metrics and ensures the University is well-equipped for emerging challenges.

Reducing waste on campus

We have introduced new initiatives to help reduce the amount of single-use waste being generated in our cafes.

The Many Happy Returns project, a collaboration between University researchers and Accommodation and Commercial Services, has seen the introduction of a new reusable cup deposit scheme to cafes. Using a phone app, customers can rent a cup or food bowl, before returning it to any other cafe when they have finished their drink or meal. [Together](#)

[with a new 20p levy on single-use cups](#), we are aiming to have a significant impact on the thousands of single-use cups used each year.

We are also working to reduce waste and emissions in our supply chain. Our cafes use over 430,000 pints of milk each year. Working with Sheffield dairy Our Cow Molly, which supplies all of our outlets with milk from its dairy only four miles from campus, we have installed unique milk pumps in several of our cafes. This has enabled Our Cow Molly to supply milk to University cafes in stainless steel milk churns.



As a global University with an international reputation, we have provided support where needed, delivered first-class teaching and continued to be a force for positive change in the world.

Support for Ukraine

In response to the war in Ukraine, staff from across the University and Sheffield Students' Union continue to work together to ensure that the University can offer a broad range of support for new and existing students and staff.

We have pledged over £1 million to support students, scholars and other staff who are seeking sanctuary in the UK or are affected by war in their home countries.

This includes hardship funding for current students, scholarships for new or transferring students, accommodation support, English language training and job opportunities for at-risk academics.

Our commitment to those seeking sanctuary

Sheffield became the first City of Sanctuary in 2005 and our University has a long history of supporting people forced to migrate and seek sanctuary. Over the years we have worked closely with partners in the local region, taking part in cultural city-wide events to celebrate and raise awareness of the migrant community.

Now, a University-wide steering group has been created to oversee and facilitate strategic planning to increase our support and provision for people seeking sanctuary.

We will shortly be submitting an application to gain accreditation as a University of Sanctuary, which will provide formal recognition of our work and further strengthen our commitment to creating a culture of welcome for people seeking sanctuary in South Yorkshire.

Student placements

We awarded 800 student mobilities/placements for spending time abroad despite it being the final year of Erasmus+ and the first year of the new Turing scheme. This has been against the backdrop of Brexit and travel restrictions due to Covid-19. The Turing Scheme has also been developed to include funding for PhD students.

Our partnerships

In 2021, we have agreed a three-year, jointly funded research seed grant programme with the University of Alberta, Canada.

The theme for the first year is Energy System Resilience. In January 2022, a virtual match-making workshop, hosted by the University's Energy

Institute and the University of Alberta's Energy Signature Area, was held to discuss project ideas for joint research before funding applications opened.

We have been working with the University of Ghana since 2017. Work includes a 50-member Ghana Interest Group to give staff an opportunity to discuss ongoing research, challenges and opportunities. This year the collaboration has been strengthened by a €236,000 Erasmus+ International Credit Mobility programme, which will support 73 staff and PhD mobilities between the universities in the next 18 months.

Digital innovation

Building on four successful British Council-funded transnational development projects in Afghanistan,

Cuba, Indonesia and South Africa in 2020 and 2021, the ELTC was awarded a £46,000 Digital Innovation Grant as part of the UK-Indonesia Partnerships for English Teacher Professional Development project.

Partnered with Universitas Indonesia (ranked 3rd in the country and QS World 248), the English Language Teaching Centre designed and now delivers a blended, 'pathfinder', English teacher professional development (TPD) programme to increase English Medium Instruction capability, confidence and capacity in higher education institutions across Indonesia. 97 lecturers were selected from 26 higher education institutions across a nation fast becoming a key strategic partner for the UK. The project will be delivered from April 2022 to March 2023.



Infrastructure and digital

During the Covid-19 pandemic, investment in the estate was, in part, paused, with existing schemes progressing in line with the health guidance. We have now recommenced delivering our strategic priorities in line with our approved capital plans.

The return of staff and student to campus saw a significant increase in maintenance activity, up 20 per cent from pre-pandemic levels. The existing estate has performed well with ventilation operating effectively and water hygiene remaining consistent. These are key areas of operational performance that required additional activity due to the changes associated with the pandemic.

With students now back on campus, we continue to develop environments that support the University's excellence in research, innovation and education.

Long-term sustainability

The new [Faculty of Social Sciences building](#) is due for completion by the end of 2022. It will be transformational for our educational and social spaces, but also because it has significant green credentials. Designed with sustainability at its core, it will be the University's first net zero building once in operation.

We're working to the BREEAM Outstanding Building Accreditation standards, which will see the new building become one of the first in education to use 200 metre deep geothermal ground source heat pumps. The technology will utilise the geothermal heating and cooling across the seasons.



Outside will see new plants and green spaces to improve local biodiversity. The area will be open to students, staff and the general public to enjoy.

Our long-term commitment to the environment is underpinned by our new Sustainable Building Standard, which will help us achieve very low embedded carbon on all our construction projects. This is a dynamic standard that we will continually review and improve.

Innovation and discovery

In February 2020 the university completed the [Engineering Heartspace](#). This building transformed the space between the Grade II listed Sir Frederick Mappin Building and Central Wing. With a full return to campus this space can now provide the vibrancy of teaching and learning that it was designed for, but was interrupted by the pandemic restrictions.

At the end of July 2022, we reached the practical completion stage of our [Gene Therapy Manufacturing and Innovation Centre \(GITMC\)](#). Located in the University's Innovation District (USID), the GITMC is one of three pioneering hubs in a new £18 million network funded by LifeArc and the Medical Research Council, with support from the Biotechnology Sciences Research Council. Work at the new centre will advance scientific discoveries and promising treatments for many life-threatening diseases that currently have no cure.

Driving innovation in advanced manufacturing

The [Advanced Manufacturing Research Centre North West \(AMRC NW\)](#) officially opened in March 2022 and is located east of Preston, Lancashire. A new £20 million applied research and development centre, AMRC NW will play a major role in driving innovation in the UK's advanced manufacturing sectors, which includes aerospace, digital manufacturing, clean energy technologies and additive manufacturing.

The new centre has already had a great impact in its first year. It was awarded 'Sub-regional Project of the Year - Lancashire' at the North West Construction Awards, and was one of the winners of the Royal Institution of Chartered Surveyors Awards 2022 in the North West. Having taken the honours in the Commercial Development category, it will now go on to contest the national Commercial Development award against eight other regions.

Our five-year estate plan

With so much brilliant work on infrastructure taking place across the University, we will complete our updated five-year estate plan early in the next academic year. That's where we will detail our infrastructure priorities and how we will continue to deliver excellence as a University, all while working towards our [net zero sustainability goals](#).

Investment in digital

Building on our response to the Covid-19 pandemic, we have further developed the University's digital capability. A focus on increased digital access for all staff and students supported our continued vision to provide world-class teaching and research facilities and services.

Learning environment

Every year, we invest approximately £15 million into our digital offer and that is backed by a new technology enabled strategic framework. The framework is there to make sure the transformational change of our digital capabilities are aligned with the University vision.

We provide a multifaceted and inclusive digital teaching and learning environment. Over the last few years, we have substantially invested in our digital teaching and learning technology. As part of that work, we reviewed and redesigned on-campus study spaces in collaboration with our students.

To support hybrid working, over 50 meeting rooms across campus have been equipped with dedicated hybrid meeting hardware to ensure that collaborative working can continue as the University transitions towards its ambition for hybrid learning and working.

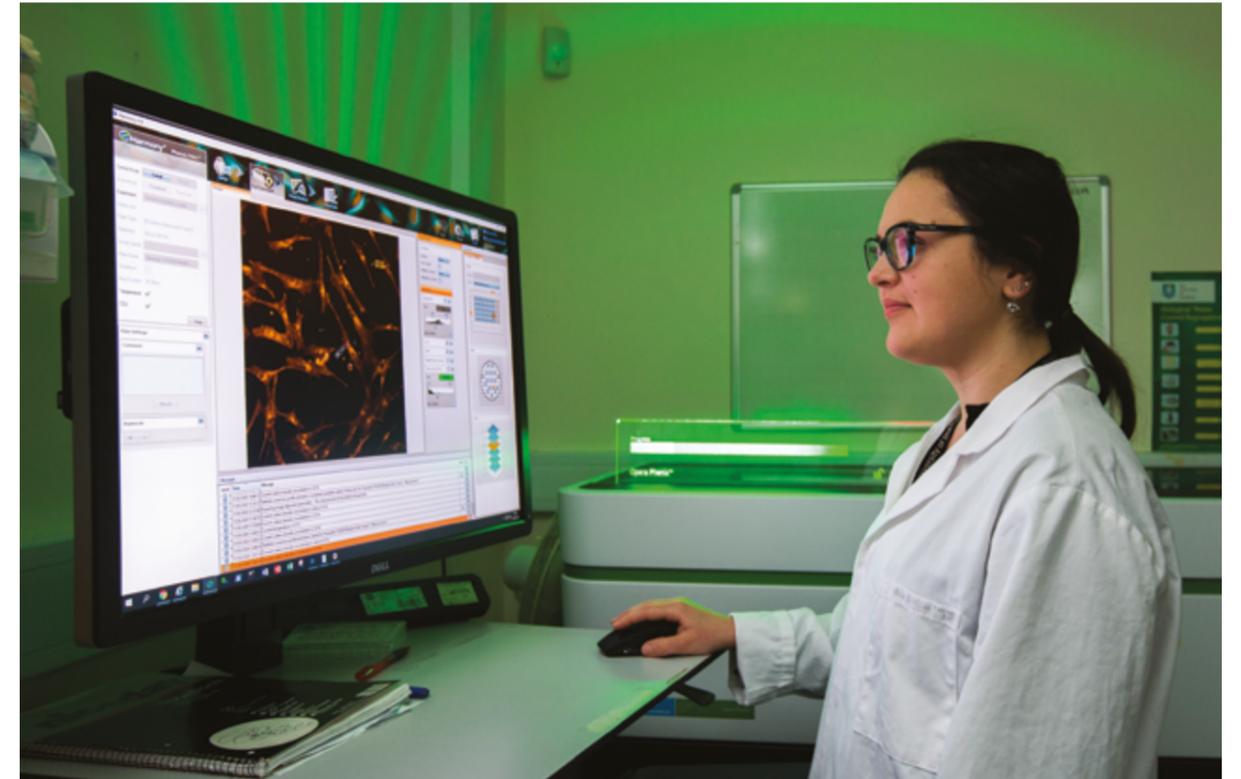
Supporting research

Our digital offer continually supports the University's globally recognised research. We use technology to help our researchers work more effectively and produce outputs that change lives all over the world.

We recently invested in a high-performance computer cluster to provide increased access for researchers across faculties to high performance computing resources. A new graphics processing unit (GPU) cluster also enables greater access for researchers to use cutting-edge artificial intelligence and machine learning techniques.

Sustainability

We continue to improve the sustainability of our digital estate by investing in our underlying infrastructure. Key priorities moving forward include further improvements to the student experience. We will achieve that by increasing the digital capabilities that support the student lifecycle and developing our virtual learning environment, all in line with our digital education strategy. Through further investment, we will see the University network go through transformational change.



Corporate governance

The following statement is intended to provide an understanding of the governance and legal structure of the University of Sheffield.

The University is an independent corporation whose legal status derives from a Royal Charter granted in 1905. It is an educational charity, with exempt status, regulated by the Office for Students (OfS) in its capacity as Principal Regulator. The University has charitable purposes and applies them for the public benefit (see page 52). 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 2022.

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. The University's governing body, the Council, regularly reviews its operation against the OfS Regulatory Framework and the revised CUC Higher Education Governance Code. The findings of the latest Council effectiveness review, which reported in 2020-21, 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 supported this conclusion. The Council will continue to undertake a review of effectiveness in accordance with the Code, every three years. In the years between formal Council Effectiveness reviews, members of Council complete a self-assessment questionnaire in relation to their individual role and performance and the collective performance and effectiveness of Council itself. Council uses the findings of this exercise to enhance its operation, and that of its committees, in the spirit of continuous improvement.

The University makes the confirmed minutes of each Council meeting publicly available via its website, together with all supporting papers, that are not confidential or otherwise contain sensitive material. Council approves the list of papers to be published as a standing agenda item at each meeting. A report on the proceedings of Council is provided to each meeting of the Senate. The confirmed minutes of the University Executive Board (UEB) 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 the purposes of the Higher Education and Research Act 2017.

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

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

Governance

The Council

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

The Council's membership, listed on page 46, comprises lay and professional and academic persons, including the President of the Students' Union, appointed under the Statutes of the University, the majority of whom are non-executive and have time-limited terms of office. Members of the governing body provide a register of interests and a declaration that they are fit and proper persons, as defined by the OfS, which is reviewed and updated on at least an annual basis.

The role of the Chair of the Council is held by a non-executive and is separate from that of the University's Chief Executive, the President and Vice-Chancellor. The performance of the President and Vice-Chancellor is monitored through the provisions of Section 6 of the Statutes and

Regulation II:5.11 and through the existence and application of the Staff Review and Development Scheme, carried out by the Chair of the Council.

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

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

In addition to the Nominations Committee, which is a formally constituted committee of the Council, much of the work of the Council is carried out through the following

principal committees, all of which have terms of reference approved by Council and which report formally to Council:

The Audit and Risk Assurance Committee has formally adopted the Higher Education Audit Committee Code of Practice, published 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, they are not members of it. Both the external and internal auditors have independent access to the Committee, and vice versa. The Audit and Risk Assurance 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, including overseeing the University's Financial Regulations.

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 strategies, 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

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.

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.

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 2022 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 (Committee of University Chairs) Higher Education Code of Governance, which is principally committed to identifying the key values and practices on which the effective governance of UK HE providers is based. The University manages risks through a Corporate Risk Register, which is reviewed regularly throughout the year by a UEB Risk Review Group and is considered by Council and its Audit and Risk Assurance 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 UEB) oversees these different levels of risk. The University's risk management policy is reviewed annually by the Risk Review Group and by Council.

The following processes have been established:

- The performance, plans and strategic direction of the University are specifically considered at one of the regular meetings of the Council each year. Interim reports and additional information is provided to other meetings to coincide with appropriate points in the University's strategic planning cycle.
- The University Council agrees and annually reviews performance, linked to strategic objectives in the University vision, and has

oversight of the outcomes achieved, direction of travel and distance from ambition, as set out in the vision and related Strategic Delivery Plans.

- 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.
- The Council receives periodic reports and a comprehensive annual report from the Chair of the Audit and Risk Assurance Committee concerning internal control and risk management, including in relation to University subsidiary companies.
- The Council oversees the management of strategic risks and receives regular reports from Audit Committee and the Risk Review Group.
- The Audit and Risk Assurance Committee receives regular reports from Internal Audit, which include Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The Audit and Risk Assurance Committee may also request additional reports to gain assurance from other parties on areas of concern. A Data Assurance Group supports the Committee in its evaluation of the management and quality assurance of the external reporting of data to statutory and regulatory bodies.
- A risk prioritisation methodology based on risk ranking has been established and applied.
- 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.

- 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 and Risk Assurance 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.
- Council has approved a Code of Ethics and receives periodic reports on its operation following a review conducted on its behalf by the University Secretary. The Research Ethics Committee of Senate provides specific assurance to Senate over ethical matters associated with research activities.
- The University commissioned a review of Council effectiveness during 2019-20, which reported in 2020-21, using an external third party law firm to advise and report. These reviews will be carried out at three-year intervals as required by the CUC Higher Education Code of Governance. Annual reviews based on feedback from Council members are also undertaken.
- 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.
- 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.

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

The University has contracted its internal audit function to an external provider. The provider's supervising partner for the assignment functions as the University'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 University's system of internal control, with recommendations for improvement.

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 University, 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.

In considering reports from the Internal Auditor, the Audit and Risk Assurance Committee receives assurance that satisfactory management actions plans have been agreed and are being implemented. The Committee regularly monitors progress against these plans. Audit and Risk Assurance Committee has welcomed the University's approach to internal audit in terms of directing activity

at areas where there are known or suspected performance issues in order to improve the internal control environment, including delivering value for money and looking beyond process compliance to institutional culture. The Internal Auditors take account of value for money (VfM) issues as part of their routine system-based auditing, with any relevant issues being examined and reported. Internal audit reports explicitly address, and report on, VfM, with increasing emphasis on the delivery of value to the University's students. 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 the internal audit as a management tool that should be used positively.

The Audit and Risk Assurance Committee considers the findings of the External Auditor and endorses the annual External Audit Strategy, which identifies key financial and control risks in order to provide assurance and inform improvements in the control environment and delivery of value for money. The Committee regularly monitors progress made against recommendations arising from the External Auditors' audit highlights memoranda and is assured about the high evidential standard to which actions owners are held in order to formally close a recommendation. The External Auditors findings are prioritised to enable the University to focus on issues that represent more significant risks or will deliver the most significant improvements.

How the University is managed

Officers of the University Session 2021–22

The Chancellor

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

The Pro-Chancellors

A P Pedder OBE (Chair of Council)
C Brownlie
A M Hope

The Treasurer

J T Sutcliffe

The President and Vice-Chancellor

Professor K Lamberts

The Provost and Deputy Vice-Chancellor

Professor G Valentine

The Cross Cutting Vice-Presidents

Research: Professor S E Hartley OBE
Innovation: Professor D N Petley
Education: Professor M T Vincent

The Faculty Vice-Presidents

Arts and Humanities:
Professor S Fitzmaurice
Engineering:
Professor J D Litster
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 2021–22

Ex-officio members

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

Persons appointed by the Council

D J Bagley, A Belton, B Gilvary, A Kay,
Professor K Layden, Dr J Nicholls (to
March 2021), Mr A P W Wray, P Rodrigo

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 M T Vincent
Professor S E Hartley OBE

Three members of the Senate elected by the Senate

Dr D Forrest (to December 2021),
Professor G Gee, Professor J Kirby

The President of the Students' Union

E Croxford (to 30 June 2022),
L Hand (from 1 July 2022)

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

G Greenup

Secretary to the Council

Dr T Strike

Faculties and departments

Arts and Humanities

East Asian Studies, English,
History, Languages and
Cultures, Music, Philosophy

Engineering

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

Medicine, Dentistry and Health

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

Science

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

Social Sciences

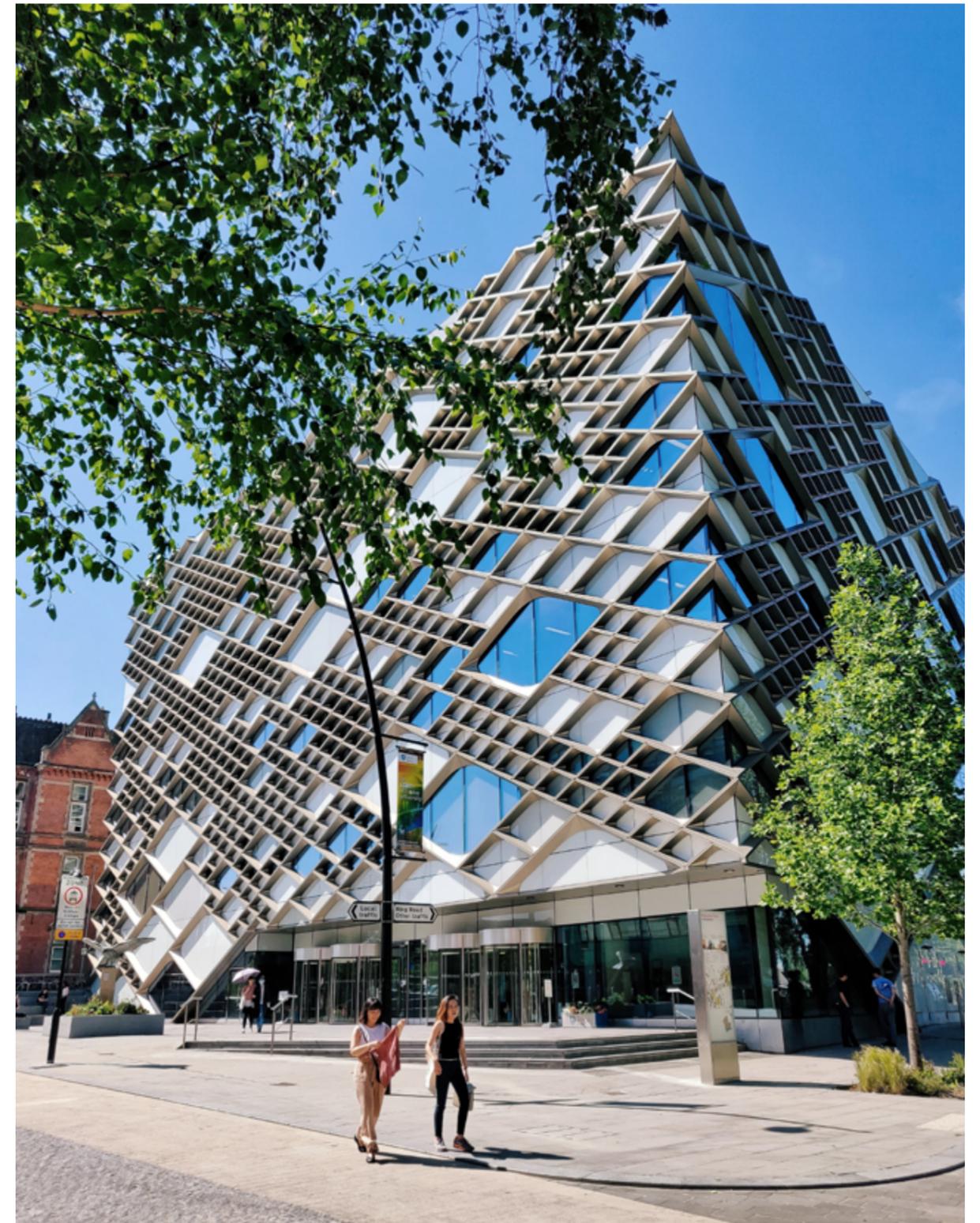
Architecture, Economics, Education,
Geography, Information School,
Journalism Studies, Landscape
Architecture, Law, Management, Politics
and International Relations, Sheffield
Methods Institute, Sociological
Studies, Urban Studies and Planning

International Faculty

City College, Thessaloniki

Extra Faculty

Advanced Manufacturing Group
Lifelong Learning



Risk and material issues

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

University appetite for risk

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

How we manage risk

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

The Corporate Risk Register is maintained by a Risk Review Group; to assess and manage corporate risks, agree the risk owners and the agreed mitigating actions and controls. This is reported to Council's Audit and Risk Assurance Committee and to Council. The Corporate Risk Register is part of the University's control environment (see pages 42 to 45).

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

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

A separate Threat Register is maintained as part of managing and preparing the University's Business Continuity Plans. The Threat Register identifies the range of scenarios that could cause disruption at the University, with the aim of identifying where the University is vulnerable, with the next steps being to look at the mitigation in place or where further controls are needed.

This is complementary to the Corporate Risk Register which manages strategic risk. The University Secretary maintains a register of legal and regulatory duties placed on the University, with the responsible owners, and how compliance is reported and to whom, which is kept up to date, agreed by UEB and reported to Council Audit and Risk Committee and Council.

A separate register is also maintained listing the OfS on-going conditions of registration and related regulatory requirements and how compliance is evidenced, which is reported to Council.



Risk summary	Risk statement	Examples of controls and actions	University vision pillar
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, including public policy and statutory and regulatory compliance, then the University's performance, sustainability and reputation may be adversely affected.	<p>Corporate Communications build and maintain relationships with key stakeholders, particularly those in the political or governmental sphere.</p> <p>Partnerships and Regional Engagement (PRE) develop and promote the role of the University in the city and region.</p> <p>The University Secretary's Office provides briefings to influence and respond to public policy changes and to inform University's strategy and practice.</p> <p>The University is in regular consultation with Department for Education, Office for Students, other sector organisations and local agencies. Lobbying is undertaken where appropriate.</p>	One University
Ensuring high-quality research	If an appropriate level of high-quality research output (equating to 4* in REF) is not achieved, based on a diverse range of research grant funding, a well-developed portfolio of research collaborations including across disciplines, and underpinned by a demonstrably healthy research culture, then there may be adverse impacts on the University's reputation and financial stability.	<p>The appointment of an academic Research Practice Lead and membership of funded consortium provides a platform to discuss and effect change in our research culture.</p> <p>We will review and make recommendations for systems for data collection, to ensure the University can evidence and communicate high-quality output and environment.</p>	Research
Improving student recruitment to rebalance the student population	If we do not implement long-term strategic objectives for the student population and improve our undergraduate recruitment performance, then the University may be forced to take a reactive approach to the recruitment of students leading to lower quality intakes and placing the University at increased reputational and/or financial risk.	<p>The Strategic Advisory Group to UEB on Student Recruitment and Population maintains oversight of the student recruitment performance, including the performance of the portfolio within target markets, and monitors on behalf of UEB the trajectory on delivering on the target student population.</p> <p>A comprehensive portfolio review programme is in place under the aegis of the Education Strategy Delivery Plan, which brings together market relevance, programme delivery, curriculum and pedagogy and employability, and which will ensure the competitiveness and attractiveness of the University's offer.</p>	Education
Ensuring a high-quality education	If we do not maintain a range of high-quality education, then there may be detrimental impacts on student recruitment, the University's reputation and financial stability.	Ongoing development and promotion of Elevate as a platform for delivering resources, training and development opportunities for programme teams and individual academic staff wanting to improve their academic skills and to enhance their educational offer.	Education

Risk summary	Risk statement	Examples of controls and actions	University vision pillar
Ensuring a high-quality student experience	If we do not ensure a high-quality student experience, then there may be detrimental impacts on student satisfaction, the University's reputation and financial stability.	The use of 'TellUS' as a pan-institutional mechanism for seeking student feedback on programmes and modules, in a way that complements external surveys and in particular the NSS and is consistent across disciplines. Digital access and improved usage of digital platforms to design, deliver and enhance the student experience remain priorities, coupled with the need to address digital poverty through the provision of remote access to specialist software, hardship grants and reliable broadband.	Education
Failure to develop and maintain strategic partnerships and commercial opportunities	If the University fails to develop a critical mass of partnerships that spans its academic activity and that are closely aligned to our strategic objectives, then the University will become uncompetitive in innovation and enterprise, and will fail to secure income, research collaborations and educational opportunities.	The Advanced Manufacturing Group centres have clear strategies for engagement with partners and are building capacity and systems to improve this area. Faculties each have Knowledge Exchange and Impact teams in place to build partnerships at local level.	Innovation
Internationalisation and security risks	If we do not manage the security related risks associated with the University's internationalisation activities in a coordinated way, then legal, financial, and reputational risks may be realised with impacts on staff, students, visitors, research, partnerships and the University campus.	The University actively engages with sector bodies and fora to ensure it accesses and responds to ongoing advice and guidance on the practical management of the security risks associated with internationalisation activities. Robust processes and procedures are in place within Research Services to ensure due diligence complies with the existing requirements of external research funders or partners. A risk based approach towards the escalation of areas of concern is in operation with issues brought to the attention of the Vice President for Research and / or the Vice-Chancellor's Advisory Group.	Research
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.	Regular financial reporting enables close monitoring of changes in expenditure commitments, including the forecasting, scenario analysis and sensitivity analysis to such changes. Cash forecasts and associated covenants are updated regularly to ensure that the University remains cash-resilient in the long term.	One University

Risk summary	Risk statement	Examples of controls and actions	University vision pillar
Ensuring fit-for-purpose infrastructure	If adequate research and teaching infrastructure, including the physical and digital estate, are not developed and sustained, then our ability to deliver a high-quality student experience and excellence in teaching and research may be adversely affected.	The condition and quality of facilities is monitored and investment plans are reviewed by ECSG. The UEB IT Sub Group oversees IT priorities, risks and scope of services.	Education Research
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 ability to operate, reputation and financial stability.	Information Asset Registers are in place for all departments. A Student Information Security & Cyber Safety online training course has been developed and will be embedded as a mandatory requirement in the 2022 student enrolment process.	One University
Russian sanctions and the impact of the war in Ukraine	If we do not respond in a coordinated way to ensure compliance with the UK sanctions Regulations, manage the secondary impacts of third-party actions and state the University position, then legal, financial, and reputational risks may be realised with impacts on research, teaching and the student experience.	Appropriate 'gatekeeper' roles have delegated authority to decide on sanctions compliance for issues raised in their sphere of influence, report on the adequacy of internal controls, and escalate to the appropriate cross-cutting Vice-President where there is a relationship which is not sanctioned but an institutional response is needed. The Ukraine Action Group is a focal point for collecting information about relationships with Ukraine / Russia and then acting accordingly via the relevant gatekeeper.	Education Research
One University	If we do not create an environment that is inclusive and open to diversity in all its forms, maintains and enhances people's wellbeing, promotes consistent ways of working, and encourages a focus on our sustainability challenges, then we will not have an environment which enables our staff and student community to reach their potential and our vision will not be fulfilled.	The University Cabinet brings together the Director level leads for the key areas of the One University pillar delivery plan. A comprehensive end-to-end review of all stages of recruitment will be undertaken to identify ways of removing bias and barriers to diversity.	One University
Organisational change and industrial relations	If the University does not effectively manage organisational change, then staff will disengage, which might impact negatively on the University's operations, the reputation of the University as an employer of choice and levels of student satisfaction.	There are agreed revised policies and procedures with trade unions around organisational change to ensure all parties are clear on expectations and process, with review mechanisms built in.	One University

Public benefit and responsibility

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

Members of Council are the University's charitable trustees, who are listed on page 46 and include the President and Vice-Chancellor and other staff and student members. The Council and senior management have due regard to the Charity Commission's public benefit guidance in setting institutional objectives and monitoring performance towards achieving them. Members of Council do not receive any remuneration in respect of their role on Council but are eligible to claim reasonable expenses incurred in carrying out their role. Expenses payments to Members of Council are stated in the notes to the financial statements and accounts.

The Charity Commission requires there to be an identifiable benefit and that this benefit must be the public or to a sufficient section of the public. The University's beneficiaries include its undergraduate and postgraduate students and research funders but we believe that education and research are not just a private good. By producing world-class graduates, undertaking research to drive innovation and address global and societal issues, and working in partnership, including with other regional anchor institutions, the University believes that sections of the public and society at large benefit from its range of activities. For our University, social and public responsibility is integral to our education, research, partnerships and place-making. The University has a proud history of discovery, innovation and positive social change. 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 and change lives for the better.

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. Our diverse and inclusive community brings together different views, approaches and insights, leading to richer, more creative and innovative teaching and research.

Pages 18 to 27 and 30 to 37 provide examples of how our work delivers public benefit in accordance with our strategic objectives and institutional values.

Financial statements

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.

It is required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

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 are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education 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 the going concern
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council are 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
- income has been applied in accordance with the University's Statutes funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- it secures 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 2022 which comprise the Consolidated and University statement of comprehensive income; Consolidated and University statement of changes in reserves; Consolidated and University 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 of the University's affairs as at 31 July 2022, and of the Group's and of 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*

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

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

Our conclusions based on this work:

- We consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- We have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- enquiring of directors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud
- reading University Executive Board, Audit Committee, and Council minutes
- using analytical procedures to identify any unusual or unexpected relationships

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular

- the risk that Group management may be in a position to make inappropriate accounting entries
- the risk that research income, income generated from other services rendered and tuition fee income generated from flexible provision (for example online or distance learning courses) are overstated through recording revenues in the wrong period

We did not identify any additional fraud risks.

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

We also performed procedures including

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by the Chief Finance Officer of the Director of Finance
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pension legislation and specific disclosures required by higher education legislation and charity legislation. We assessed the extent

of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to

detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Council is responsible for the other information, which comprises the Strategic Report and the 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 its statement set out on page 54, 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
- 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

- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 11 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 Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

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

Date

Principal accounting policies

1. Accounting convention

The financial statements have been prepared in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition), the Higher Education and Research Act 2017, the Royal Charter, the Accounts Direction issued by the Office for Students (OFS), the terms and conditions of funding for higher education institutions issued by the OFS and the terms and conditions of the Research England Grant.

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

2. Basis of preparation

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

The Group and 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 University, its cash flows, liquidity position and borrowing facilities.

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

The Council has prepared cash flow forecasts for a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, 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).

There remains some level of uncertainty for the global economy. In response to this uncertainty, the University of Sheffield 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 reductions to student intake numbers, student retention figures and commercial income, and increasing costs due to economic uncertainty. Under these severe but plausible scenarios we remain financially sustainable, with sufficient available cash balances and compliance with all bank covenants. We have built a financial platform with relatively low levels of bank debt, healthy levels of available cash, a strong Statement of Financial Position (Balance Sheet) and plans drawn up for mitigating actions to reduce costs, should they be required.

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

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

3. Exemptions under FRS102

The University has taken the exemption permitted under FRS 102 to not produce a cash flow statement for the University as it is the ultimate parent entity.

4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its main subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2022. The results of subsidiaries acquired

or disposed of during the year are included in the consolidated Statement of Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

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

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

5. Income recognition

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

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

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

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

Grant funding

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

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

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

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

- 1) Restricted donations - the donor has specified that the donation must be used for a particular objective.
- 2) Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- 3) Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital
- 4) Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

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

6. Accounting for retirement benefits

The 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).

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution

therefore accounts for the scheme as if it were a defined contribution 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.

University of Sheffield Pension Scheme (USPS)

The scheme is a cash balance defined benefit scheme. The scheme is valued at least every three years by professionally qualified independent actuaries.

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

National Health Service Pension Scheme (NHSPS)

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

Defined contribution schemes

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

Defined benefit schemes

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Under defined benefit schemes, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that

benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University.

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

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

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

Asset-backed funding of University of Sheffield Pension Scheme

The University has created a Scottish Limited Partnership in order to operate an asset-backed funding scheme for the University of Sheffield Pension Scheme. The wholly-owned companies within this partnership are consolidated in the group accounts. The partnership is exempt from audit (as allowed

by Section 7 of the Partnership Regulations 2008).

7. Employment benefits

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

8. Finance leases

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

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

9. Service concession arrangements

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

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

10. Operating leases

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

11. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income.. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

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

12. Intangible fixed assets

Software development and acquisition costs are capitalised where certain criteria are met and amortised on a straight line basis over the estimated useful life of between three and ten years.

13. Tangible fixed assets

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

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

Land and buildings

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

A valuation of academic, office, ancillary and support buildings was carried out as at 31 July 2022 by Gerald Eve LLP, Chartered Surveyors.

A valuation of investment properties was carried out as at 31 July 2022 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 2022 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 2022 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 and engineering - 25 years.
- Industrial kitchen and specialist lab furnishings - 25 years.
- Finishes - 15 years.

For assets that have not been componentised, freehold buildings are depreciated on a straight line basis over their expected useful lives of up to a maximum of 50 years. Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years. Refurbishments are depreciated over their expected useful lives, up to a maximum of 20 years. Specialised short-life assets, for example synthetic sports pitches, are depreciated over their expected useful lives up to a maximum of seven years.

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

Impairment

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

Equipment

Individual items of equipment and groups of functionally dependent items costing more than £20,000 are capitalised at cost. All other items of equipment are recognised as expenditure and are written off to the Statement of Comprehensive Income in the year of acquisition.

Capitalised equipment is stated at cost and depreciated over its expected useful life of a maximum of 10 years, with the exception of equipment

acquired for a specific research project, which is depreciated over an average project life of three years.

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

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

Borrowing costs

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

Assets held for resale

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

14. Heritage assets

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

15. Investment properties

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

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

Investment properties are disclosed within fixed assets in note 13.

16. Investments

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

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

17. Stock

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

18. Cash and cash equivalents

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

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

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when

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

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

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

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

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

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

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

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

21. Taxation

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

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

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 UK Corporation Tax 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 (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

22. Reserves

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

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

23. Accounting estimates and judgements

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

- 1) The University participates in the Universities Superannuation Scheme (USS). 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. Estimation uncertainty over defined benefit obligations is explained within the accounting policies on pages 59-60. There is also a level of estimation uncertainty over the assets; the total assets include assets amounting to £80.0 million (2021: £71.5 million) classified as level 3 financial assets, which are not quoted on an active market, are considered to be the least liquid and hardest to value, and are therefore subject to a higher degree of estimation. Pension costs under FRS102, and the amount of the provision in the Statement of Financial Position, are based upon the latest actuarial valuation, and assumptions, including the appropriate discount rate, agreed by management following actuarial advice. These assumptions are detailed in Note 35.

- 3) The University's land and buildings are held at fair value. Valuations are carried out at regular intervals by professionally qualified external valuers. Management make judgements as to whether any indicators of impairment are present for these assets, and whether there are indications that an adjustment is required to the useful economic lives of the buildings.

- 4) The provision for doubtful debts is based on an estimate of the recoverability of those debts.
- 5) In 2005-06 the University entered into a 41-year contract with a third party provider for the provision and maintenance of student accommodation. Under FRS102 this arrangement has been accounted for as a service concession. The University's liability has been brought onto the Statement of Financial Position at a value based on the present value of the minimum lease payments. Payments made by the University to the third party provider are apportioned between the finance charge and repayment of the liability.
- 6) The University's liability for staff annual leave not taken as at the reporting date has been based on information available for staff who record their annual leave usage on the University's online system. This information has been extrapolated to obtain an estimate for all staff.

24. Financial instruments

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

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

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

Investments

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

Debtors and creditors

Debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Loans

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

Consolidated and institution statement of comprehensive income

		Year ended 31 July 2022		Year ended 31 July 2021	
Notes		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Income					
Tuition fees and education contracts	1	379.3	379.3	370.0	370.0
Funding body grants	2	95.1	95.1	96.1	96.1
Research grants and contracts	3	204.8	204.8	163.6	163.0
Other income	5	132.7	127.2	108.3	105.8
Investment income	6	2.3	2.4	1.2	1.3
Donations and endowments	7	8.2	8.2	4.8	4.8
Total income		822.4	817.0	744.0	741.0
Expenditure					
Staff costs - excluding movement in USS provision	8	396.8	393.5	386.3	385.2
Staff costs - movement in USS provision	8	155.4	155.4	4.3	4.3
Other operating expenses		251.1	250.6	216.8	218.1
Depreciation, amortisation and impairment of fixed assets	13, 14	74.0	73.9	84.7	84.6
Interest and other finance costs	9	15.7	16.1	16.4	16.4
Total expenditure	10	893.0	889.5	708.5	708.6
(Deficit)/surplus before other gains/(losses) and share of operating surplus/(deficit) of joint ventures and associates					
		(70.6)	(72.5)	35.5	32.4
(Loss)/gain on disposal of fixed assets		(0.1)	(0.1)	0.6	0.6
(Loss)/gain on investments	16, 28	(0.6)	(0.8)	12.0	10.2
Share of operating surplus in joint venture	17	0.1	-	-	-
Share of operating (deficit) in associate	18	(1.3)	-	(0.5)	-
Gift Aid		-	1.4	-	1.4
Dividends received		-	-	-	-
Surplus before tax		(72.5)	(72.0)	47.6	44.6
Taxation	12	-	-	-	-
Surplus for the year		(72.5)	(72.0)	47.6	44.6
Other comprehensive income					
Unrealised surplus on revaluation of land and buildings	14	141.2	141.2	40.3	40.3
Actuarial gain in respect of pension schemes	35	95.8	95.8	42.6	42.6
Total comprehensive income for the year		164.5	165.0	130.5	127.5
Represented by:					
Endowment comprehensive (expenditure)/income for the year		(0.2)	(0.2)	1.2	1.1
Restricted comprehensive (expenditure)/income for the year		(0.6)	(0.6)	3.5	3.5
Unrestricted comprehensive income for the year		36.1	36.6	103.6	100.6
Revaluation reserve comprehensive income for the year		129.2	129.2	22.3	22.3
Attributable to the University		164.5	165.0	130.5	127.5
Attributable to the non-controlling interest		-	-	-	-
Surplus for the year attributable to:		(72.5)	(72.0)	47.6	44.6
Non-controlling interest		-	-	-	-
University		(72.5)	(72.0)	47.6	44.6

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 58 to 63 form part of these financial statements.

Consolidated and institution statement of changes in reserves

		Year ended 31 July 2022			Revaluation reserve	Total excluding non- controlling interest	Non- controlling interest	Total
		Income and expenditure account	Endowment	Restricted				
		£m	£m	£m	£m	£m	£m	£m
Consolidated								
Balance at 1 August 2020		45.5	3.4	422.1	627.0	1,098.0	-	1,098.0
Surplus for the year		4.8	1.4	41.4	-	47.6	-	47.6
Other comprehensive income		-	-	42.5	40.4	82.9	-	82.9
Transfers between revaluation and income and expenditure reserve		-	-	18.1	(18.1)	-	-	-
Transfers between reserves due to reclassification		(3.6)	3.6	-	-	-	-	-
Release of restricted funds spent in year		-	(1.6)	1.6	-	-	-	-
Total comprehensive income for the year		1.2	3.4	103.6	22.3	130.5	-	130.5
Balance at 1 August 2021		46.7	6.8	525.7	649.3	1,228.5	-	1,228.5
(Deficit)/surplus for the year		(0.2)	1.5	(73.8)	-	(72.5)	-	(72.5)
Other comprehensive income		-	-	95.3	141.7	237.0	-	237.0
Transfers between revaluation and income and expenditure reserve		-	-	12.5	(12.5)	-	-	-
Release of restricted funds spent in year		-	(2.1)	2.1	-	-	-	-
Total comprehensive expenditure for the year		(0.2)	(0.6)	36.1	129.2	164.5	-	164.5
Balance at 31 July 2022		46.5	6.2	561.8	778.5	1,393.0	-	1,393.0
Institution								
Balance at 1 August 2020		45.5	3.4	426.5	627.0	1,102.4	-	1,102.4
Surplus for the year		4.8	1.4	38.3	-	44.5	-	44.5
Other comprehensive income		-	-	42.5	40.4	82.9	-	82.9
Transfers between reserves due to reclassification		(3.6)	3.6	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve		-	-	18.1	(18.1)	-	-	-
Release of restricted funds spent in year		-	(1.6)	1.6	-	-	-	-
Total comprehensive income for the year		1.2	3.4	100.5	22.3	127.4	-	127.4
Balance at 1 August 2021		46.7	6.8	527.0	649.3	1,229.8	-	1,229.8
(Deficit)/surplus for the year		(0.2)	1.5	(73.3)	-	(71.9)	-	(71.9)
Other comprehensive income		-	-	95.3	141.7	237.0	-	237.0
Transfers between revaluation and income and expenditure reserve		-	-	12.5	(12.5)	-	-	-
Release of restricted funds spent in year		-	(2.1)	2.1	-	-	-	-
Total comprehensive expenditure for the year		(0.2)	(0.6)	36.6	129.2	165.1	-	165.1
Balance at 31 July 2022		46.5	6.2	563.6	778.5	1,394.9	-	1,394.9

Consolidated and institution statement of financial position

		Year ended 31 July 2022		Year ended 31 July 2021	
		As at 31 July 2022		As at 31 July 2021	
Notes	Consolidated £m	Institution £m	Consolidated £m	Institution £m	
Non-current assets					
Intangible assets	13	7.4	7.4	6.0	6.0
Tangible assets	14	1,651.1	1,651.0	1,484.2	1,484.0
Investments	16	7.1	44.1	7.3	44.3
Investment in joint venture	17	(0.6)	-	(0.7)	-
Investments in associate	18	(2.0)	-	(0.8)	-
Debtors and prepayments due in more than one year	20	2.0	19.5	2.1	22.1
		1,665.0	1,722.0	1,498.1	1,556.4
Current assets					
Stock		0.4	0.3	0.4	0.2
Trade and other receivables	21	94.9	96.3	91.3	93.5
Investments	22	81.2	81.2	46.6	46.6
Cash and cash equivalents	23	229.2	222.1	221.8	215.1
		405.7	399.9	360.1	355.4
Less: Creditors: amounts falling due within one year	24	(231.6)	(233.5)	(238.2)	(242.0)
Net current assets		174.1	166.4	121.9	113.4
Total assets less current liabilities		1,839.1	1,888.4	1,620.0	1,669.8
Creditors: amounts falling due after more than one year	25	(160.7)	(208.1)	(165.8)	(214.3)
Provisions					
Pension provisions	26	(285.2)	(285.2)	(224.5)	(224.5)
Other provisions	26	(0.2)	(0.2)	(1.2)	(1.2)
Total net assets		1,393.0	1,394.9	1,228.5	1,229.8
Restricted reserves					
Income and expenditure reserve - endowment reserve	28	46.5	46.5	46.7	46.7
Income and expenditure reserve - restricted reserve	29	6.2	6.2	6.8	6.8
Unrestricted reserves					
Income and expenditure reserve - unrestricted		561.8	563.7	525.7	527.0
Revaluation reserve		778.5	778.5	649.3	649.3
		1,393.0	1,394.9	1,228.5	1,229.8
Non-controlling interest		-	-	-	-
Total reserves		1,393.0	1,394.9	1,228.5	1,229.8

The financial statements on pages 58 to 93 were approved by the Council on 21 November 2022 and were signed on its behalf by:

Mr A. Belton, Interim Chair and Pro-Chancellor

Professor K. Lamberts, President and Vice-Chancellor

The University of Sheffield

Consolidated statement of cash flow

		Year ended 31 July 2022		Year ended 31 July 2021	
		£m		£m	
Notes					
Cash flows from operating activities					
	(Deficit)/surplus for the year before tax	(72.5)		47.6	
Adjustment for non-cash items					
14	Depreciation	74.0		84.7	
	Amortisation of intangibles				
13	Reclassification of intangible assets as revenue	-		8.0	
16, 28	Loss/(gain) on investments	0.8		(4.9)	
	(Increase)/decrease in stock	(0.1)		1.2	
20, 21	Increase in debtors	(3.5)		(13.3)	
24, 25	Increase in creditors	18.6		24.0	
26	Increase in pension provision	156.6		6.0	
26	(Decrease)/increase in other provisions	(1.0)		0.8	
17	Share of operating surplus in joint venture	(0.1)		-	
	Share of operating deficit in associate	1.2		0.5	
Adjustment for investing or financing activities					
6	Investment income	(2.3)		(1.2)	
9	Interest payable	14.8		15.7	
	Endowment income	(0.1)		(0.3)	
	Loss/(gain) on disposal of fixed assets	0.1		(0.6)	
	Gain on disposal of non-current assets	-		(5.3)	
	Capital grant income	(46.5)		(21.1)	
	Cash flows from operating activities	140.0		141.8	
	Taxation	-		-	
	Net cash inflows from operating activities	140.0		141.8	
Cash flows from investing activities					
	Proceeds from sales of fixed assets	5.1		4.2	
	Capital grants receipts	22.2		38.9	
	Proceeds from the sale of non-current asset investments	-		7.5	
6	Investment income	2.3		1.2	
14	Payments made to acquire fixed assets	(103.6)		(60.4)	
13	Payments made to acquire intangible assets	(2.7)		(8.3)	
	New non-current asset investments	(0.1)		-	
	New deposits	(35.2)		(6.0)	
		(112.0)		(22.9)	
Cash flows from financing activities					
9	Interest paid	(5.8)		(6.5)	
9	Interest element of finance lease and service concession payments	(9.0)		(9.2)	
	Endowment cash received	0.1		3.9	
	New unsecured loans	-		0.2	
	Repayments of amounts borrowed	(3.2)		(3.2)	
	Capital element of finance lease and service concession payments	(2.7)		(3.0)	
		(20.6)		(17.8)	
Increase in cash and cash equivalents in the year					
		7.4		101.1	
23	Cash and cash equivalents at beginning of the year	221.8		120.8	
23	Cash and cash equivalents at end of the year	229.2		221.8	

Notes to the financial statements

Note 1 Tuition fees and education contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Full-time home and EU undergraduate students	132.3	132.3	133.3	133.3
Full-time home and EU postgraduate students	14.1	14.1	15.0	15.0
International students	195.9	195.9	194.7	194.7
Home and EU part-time students	3.8	3.8	3.7	3.7
NHS education contracts	3.2	3.2	2.6	2.6
Research Training Support Grant and other contracts	30.0	30.0	20.7	20.7
	379.3	379.3	370.0	370.0

Note 2 Funding body grants

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Recurrent grant				
Office for Students	25.6	25.6	23.6	23.6
UK Research and Innovation (Research-England)	47.0	47.0	45.8	45.8
Capital grant	7.0	7.0	9.2	9.2
Specific grants				
Higher Education Innovation Fund	5.9	5.9	4.5	4.5
Global Challenge Research Fund	-	-	1.8	1.8
Skills Funding Agency	7.1	7.1	7.1	7.1
Other specific grants	2.5	2.5	4.1	4.1
	95.1	95.1	96.1	96.1

Note 3 Research grants and contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Government UK and overseas	53.0	53.0	43.0	43.0
Research Councils	66.4	66.4	58.7	58.7
Research charities	20.0	20.0	16.6	16.6
Industry and commerce	61.8	61.8	42.8	42.8
Other grants and contracts	3.6	3.6	2.5	1.9
	204.8	204.8	163.6	163.0

Notes to the financial statements

Note 4 Grant and fee income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Grant income from the OfS	25.9	25.9	26.1	26.1
Grant income from other bodies	69.2	69.2	70.0	70.0
Fee income for taught awards (exclusive of VAT)	329.3	329.3	323.1	323.1
Fee income for research awards (exclusive of VAT)	16.8	16.8	18.5	18.5
Fee income from non-qualifying courses (exclusive of VAT)	33.2	33.2	28.4	28.4
	474.4	474.4	466.1	466.1

Note 5 Other income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Residences, catering and conferences	37.7	32.6	24.3	21.7
Patents and licences income	41.5	41.5	33.2	33.2
Other services rendered	19.1	19.1	17.6	17.6
Health authorities	9.8	9.8	8.2	8.2
Job retention scheme income	-	-	2.2	2.2
Other income	24.6	24.2	22.8	22.9
	132.7	127.2	108.3	105.8

Note 6 Investment income

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Investment income on endowments	28	1.1	1.1	1.0	1.0
Other investment income		1.2	1.3	0.2	0.3
		2.3	2.4	1.2	1.3

Note 7 Donations and endowments

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
New endowments	28	0.1	0.1	0.3	0.3
Donations with restrictions		1.2	1.2	1.5	1.5
Unrestricted donations		6.9	6.9	3.0	3.0
		8.2	8.2	4.8	4.8

Notes to the financial statements

Note 8 Staff costs

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Staff costs:				
Salaries	286.0	283.1	281.4	280.6
Social security costs	30.0	29.8	28.3	28.2
Movement on USS past service cost on pensions (Note 35)	155.4	155.4	4.3	4.3
Other pension costs	80.8	80.6	76.6	76.4
Total	552.2	548.9	390.6	389.5

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated full-time equivalents	Institution full-time equivalents	Consolidated full-time equivalents	Institution full-time equivalents
Staff numbers:				
Academic departments	2,824	2,824	2,636	2,636
Academic services	1,037	1,037	1,053	1,053
Central administration and services	639	639	629	629
Premises	551	551	552	552
Research grants and contracts	1,468	1,468	1,502	1,495
Other external	458	439	495	475
Residences, catering and conferences	226	119	208	109
Staff and student facilities	253	253	221	221
Total	7,456	7,330	7,296	7,170

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 2022		Year ended 31 July 2021	
	Consolidated number	Institution number	Consolidated number	Institution number
£100,000 to £104,999	17	17	23	23
£105,000 to £109,999	15	15	9	9
£110,000 to £114,999	16	16	13	13
£115,000 to £119,999	4	4	5	5
£120,000 to £124,999	5	5	5	5
£125,000 to £129,999	4	4	1	1
£130,000 to £134,999	5	5	6	6
£135,000 to £139,999	3	3	2	2
£140,000 to £144,999	1	1	-	-
£145,000 to £149,999	3	3	3	3
£150,000 to £154,999	3	3	5	5
£155,000 to £159,999	2	2	2	2
£160,000 to £164,999	1	1	1	1
£165,000 to £169,999	1	1	1	1
£170,000 to £174,999	1	1	1	1
£185,000 to £189,999	1	1	-	-
£290,000 to £294,999	1	1	1	1
Total	83	83	78	78

Notes to the financial statements

Note 8 Staff costs (continued)

Remuneration of the President and Vice-Chancellor

	Year ended 31 July 2022	Year ended 31 July 2021
	Total £	Total £
Salary	294,482	290,130
Employer USS pension contributions	91,829	89,070
Salary sacrifice	(28,761)	(27,853)
Total	357,550	351,347

The Senior Remuneration Committee is responsible for reviewing the performance and determining the remuneration of the University's Executive Board, including the President and 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 and Vice-Chancellor's salary continues to reflect the size, scale and complexity of the organisation, which has over 30,000 students, 8,700 staff, an annual turnover of £822 million and strategic partnerships with many stakeholders, including local, national and global organisations. In addition to his role as President and Vice-Chancellor, Professor Koen Lamberts is a respected leader in education nationally and internationally, and represents the University and the sector with a number of external leadership roles including holding the Chair of UKCISA's Board of Trustee and Deputy Chair and Board Member of the Russell Group: www.sheffield.ac.uk/vc/biography.

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

The last uplift to the President and Vice-Chancellor's salary was a 1.5 per cent uplift on 1 August 2021 in line with the national pay award applied to all University staff.

Pay multiples

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

The total salary multiple includes: basic full-time equivalent pay at 31 July 2022 plus the total value of the following paid in the financial year: allowances, bonus, employer pension contributions, overtime, benefits in kind 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 2021-22 the basic salary of the President and Vice-Chancellor was 8.8 times greater than the median basic salary of all other employees (2020-21 8.8).

Total salary

In 2021-22 the total salary of the President and Vice-Chancellor was 9.4 times greater than the median total salary of all other employees (2020-21 9.3).

Notes to the financial statements

Note 8 Staff costs (continued)

Compensation for loss of office

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Total amount of compensation payable	0.9	0.9	1.9	1.9
	Number	Number	Number	Number
Number of staff to whom this was payable	152	152	183	183

Key management personnel

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

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

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

	Year ended 31 July 2022 £m	Year ended 31 July 2021 £m
Key management personnel compensation	2.6	2.5

Note 9 Interest and other finance costs

Notes	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Loan interest	3.8	3.8	4.0	4.0
Finance lease interest (including service concession finance charge)	9.0	9.4	9.2	9.2
Unwind of discount on USS pension provision	0.9	0.9	0.7	0.7
Net interest cost on University of Sheffield Pension Scheme	2.0	2.0	2.5	2.5
	15.7	16.1	16.4	16.4

Notes to the financial statements

Note 10 Analysis of total expenditure by activity

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Academic departments	239.3	239.3	227.6	227.6
Academic services	71.7	71.7	58.2	58.2
Central administration and services	36.8	36.8	32.4	32.4
General educational expenditure	40.6	40.6	37.7	37.7
Staff and student facilities	19.0	19.0	18.9	18.9
Research grants and contracts	127.5	127.5	123.3	123.3
Residences, catering and conferences (including service concession cost)	44.9	40.1	41.9	38.4
Premises	88.7	88.7	82.4	82.4
Other expenses	224.5	225.8	86.1	89.7
	893.0	889.5	708.5	708.6

Other expenses include the movement on USS past service cost on pensions of £155.4 million (2021: £4.3 million) as detailed in Note 35.

Other operating expenses include payments under operating leases which are detailed in Note 33.

Included within other operating expenses are the following costs:

	2022	2021	2022	2021
Auditors' remuneration	0.3	0.2	0.2	0.2
Auditors' remuneration in respect of non-audit services	0.1	0.1	0.1	0.1
	0.4	0.3	0.3	0.3

Note 11 Access and participation expenditure

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Access investment	3.2	3.2	2.7	2.7
Financial support	5.8	5.8	6.3	6.3
Disability support	2.1	2.1	2.0	2.0
Research and evaluation	0.1	0.1	0.1	0.1
	11.2	11.2	11.1	11.1

£4.3 million of the costs shown above are staff costs, and are included in Note 8 of the financial statements.

The University's current access and participation plan is shown at this link: www.sheffield.ac.uk/finance/access-and-participation.

Notes to the financial statements

Note 12 Taxation

	Year ended 31 July 2022		Year ended 31 July 2021	
	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 13 Intangible assets

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Software				
Opening balance	6.0	6.0	15.0	15.0
Additions in the year	2.7	2.7	8.3	8.3
Reclassification as revenue	-	-	(8.0)	(8.0)
Impairment	-	-	(9.3)	(9.3)
Amortisation charge for the year	(1.3)	(1.3)	-	-
Closing balance	7.4	7.4	6.0	6.0

Notes to the financial statements

Note 14 Tangible assets

	Land and buildings	Service concession arrangement (Note 15)	Fixtures, fittings and equipment	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
Group					
Cost or valuation					
At 1 August 2021	1,160.8	187.7	342.3	116.5	1,807.3
Additions	18.7	-	24.5	60.5	103.7
Transfers	47.5	-	6.0	(53.5)	-
Surplus on revaluation	118.4	5.0	-	-	123.4
Loss on revaluation	(26.7)	-	-	-	(26.7)
Disposals	(5.2)	-	(2.7)	-	(7.9)
At 31 July 2022	1,313.5	192.7	370.1	123.5	1,999.8
Consisting of:					
Valuation	268.0	29.0	-	-	297.0
Cost	1,045.5	163.7	370.1	123.5	1,702.8
	1,313.5	192.7	370.1	123.5	1,999.8
Depreciation					
At 1 August 2021	29.5	-	293.6	-	323.1
Charge for the year	41.7	4.2	25.6	-	71.5
Impairment write down	1.0	-	-	-	1.0
Impairment of investment properties	0.2	-	-	-	0.2
Written back on revaluation	(40.2)	(4.2)	-	-	(44.4)
Disposals	-	-	(2.7)	-	(2.7)
At 31 July 2022	32.2	-	316.5	-	348.7
Net book value					
At 31 July 2022	1,281.3	192.7	53.6	123.5	1,651.1
At 31 July 2021	1,131.3	187.7	48.7	116.5	1,484.2
Institution					
Cost or valuation					
At 1 August 2021	1,160.8	187.7	341.4	116.5	1,806.4
Additions	18.7	-	24.4	60.5	103.6
Transfers	47.5	-	6.0	(53.5)	-
Surplus on revaluation	118.4	5.0	-	-	123.4
Loss on revaluation	(26.7)	-	-	-	(26.7)
Disposals	(5.2)	-	(2.6)	-	(7.8)
At 31 July 2022	1,313.5	192.7	369.2	123.5	1,998.9
Consisting of:					
Valuation	268.0	29.0	-	-	297.0
Cost	1,045.5	163.7	369.2	123.5	1,701.9
	1,313.5	192.7	369.2	123.5	1,998.9
Depreciation					
At 1 August 2021	29.5	-	292.9	-	322.4
Charge for the year	41.7	4.2	25.5	-	71.4
Impairment write down	1.0	-	-	-	1.0
Impairment of investment properties	0.2	-	-	-	0.2
Written back on revaluation	(40.2)	(4.2)	-	-	(44.4)
Disposals	-	-	(2.7)	-	(2.7)
At 31 July 2022	32.2	-	315.7	-	347.9
Net book value					
At 31 July 2022	1,281.3	192.7	53.5	123.5	1,651.0
At 31 July 2021	1,131.3	187.7	48.5	116.5	1,484.0

At 31 July 2022, freehold land and buildings included £31.5 million (2021: £30.8 million) in respect of freehold land which is not depreciated.

In addition, three investment properties valued in total at £7.9 million (2021 - one property: £5.7 million) were included above.

A valuation of the University's Academic and Administration buildings was carried out as at 31 July 2022 by an independent 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 2022 by an independent 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 2022 by an independent external valuer Saxton Mee Commercial.

Notes to the financial statements

Note 15 Service concession arrangements

The University has one arrangement where service delivery has commenced.

Movement in service concession arrangement assets

The asset value of the service concession as at 31 July 2022 is £192.7 million (31 July 2021: £187.7 million).

The increase of £5 million in the year is calculated as follows:

	£m
Opening balance	187.7
Depreciation in the year	4.2
Writeback of depreciation on valuation	(4.2)
Loss on revaluation	5.0
Closing balance	192.7

Movement in service concession arrangement liabilities

The total liabilities relating to the service concession as at 31 July 2022 were £96.1 million (31 July 2021: £98.8 million).

The sum of £2.7 million was repaid during the year.

Future commitments

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

	Payable in 1 year	Payable in 2-5 years	Payable in more than 5 years	Total
	£m	£m	£m	£m
Liability repayments	2.9	11.5	81.7	96.1
Finance charge	5.0	18.3	47.1	70.4
Service charge	6.4	28.8	175.6	210.8
	14.3	58.6	304.4	377.3

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.

Notes to the financial statements

Note 16 Non-current investments

	Subsidiary companies	Other fixed assets investments	Total
	£m	£m	£m
Consolidated			
At 1 August 2021	-	7.3	7.3
Additions	-	-	-
Disposals	-	-	-
Impairment	-	(0.2)	(0.2)
At 31 July 2022	-	7.1	7.1
Institution			
At 1 August 2021	4.2	40.1	44.3
Additions	-	-	-
Disposals	-	-	-
Impairment	-	(0.2)	(0.2)
At 31 July 2022	4.2	39.9	44.1

Investments that are listed are held at fair value.

Note 17 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 balance sheet 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 2022		Year ended 31 July 2021	
	£m	£m	£m	£m
Income and expenditure account				
Income		10.5		8.2
Surplus/(deficit) before tax		0.1		-
Statement of financial position				
Fixed assets	-		-	
Current assets	3.5		3.2	
		3.5		3.2
Creditors: amounts due within one year	(3.3)		(3.1)	
Creditors: amounts due after more than one year	(0.8)		(0.8)	
		(4.1)		(3.9)
Share of net liabilities		(0.6)		(0.7)

Notes to the financial statements

Note 18 Investment in associates

The University has holdings in the following companies:

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

* Limited by guarantee
All companies are incorporated in Great Britain.

Note 19 Subsidiary undertakings

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

Company	Principal activity	%
Epi Genesys Limited	Custom software solutions and web applications	100.00%
Escafeld Estates Limited	Property disposal for student residences strategy	100.00%
FaraPack Polymers Limited	Innovative packaging solutions	100.00%
Sheffield Advisory Services Sdn Bhd	University Malaysian office	100.00%
Suel Limited	Business and management consultancy	100.00%
The National Metals Technology Centre Limited	Licensing of NAMTEC name to the University	*
TUOS Parking Limited	Car park services	100.00%
Unicus Sheffield Limited	Hotel services	100.00%
UOS LP Limited	Partner in asset-backed funding of the University pension scheme	100.00%
UOS GP Limited	Partner in asset-backed funding of the University pension scheme	100.00%

* Limited by guarantee

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.

Notes to the financial statements

Note 20 Debtors and prepayments due in more than one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Amounts falling due in more than one year:				
Prepayment: ABF lease	-	17.3	-	20.0
Prepayment: IT Services	1.0	1.0	1.4	1.4
Loans to Group companies	0.9	1.1	0.7	0.7
Loans to other companies	0.1	0.1	-	-
	2.0	19.5	2.1	22.1

Note 21 Trade and other receivables

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Amounts falling due within one year:				
Research grants accrued income	26.4	26.4	28.8	28.8
Prepayments and other accrued income	24.0	24.0	27.4	27.4
Other receivables	44.5	44.5	35.1	35.9
Amounts due from subsidiary companies	-	1.4	-	1.4
	94.9	96.3	91.3	93.5

Note 22 Current investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Short-term investment in shares	40.6	40.6	41.0	41.0
Short-term deposits	40.6	40.6	5.6	5.6
	81.2	81.2	46.6	46.6

Notes to the financial statements

Note 23 Cash and cash equivalents			
	At 1 August 2021	Cash flows	At 31 July 2022
	£m	£m	£m
Consolidated			
Cash and cash equivalents	221.8	7.4	229.2
	221.8	7.4	229.2
Institution			
Cash and cash equivalents	215.1	7.0	222.1
	215.1	7.0	222.1
Consolidated movement in net debt			
Net debt 1 August 2021			(57.5)
Movement in cash and cash equivalents			(7.4)
Other non-cash changes			(5.8)
Net debt 31 July 2022			(70.7)
Change in net debt			13.2
Analysis of net debt:			
	31 July 2022	31 July 2021	
	£m	£m	
Cash and cash equivalents	229.2	221.8	
Borrowings: amounts falling due within one year			
Unsecured loans	1.2	3.3	
Service concession arrangements	2.9	2.7	
	4.1	6.0	
Borrowings: amounts falling due after more than one year			
Service concession liabilities due after one year	93.2	96.0	
Unsecured loans	61.2	62.3	
	154.4	158.3	
Net cash and cash equivalents	(70.7)	(57.5)	

Notes to the financial statements

Note 24 Creditors: amounts falling due within one year					
	Year ended 31 July 2022		Year ended 31 July 2021		
	Consolidated £m	Institution £m	Consolidated £m	Institution £m	
Bank loans	0.7	0.7	2.7	2.7	
Unsecured loans	0.5	0.5	0.6	0.6	
Obligations under finance leases	-	2.7	-	3.8	
Service concession arrangements (Note 15)	2.9	2.9	2.7	2.7	
Trade payables	16.6	16.1	15.5	15.4	
Social security and other taxation payable	9.1	8.9	8.3	8.3	
Accruals and deferred income	164.4	163.2	168.7	168.0	
Other creditors	37.4	38.5	39.7	40.5	
	231.6	233.5	238.2	242.0	
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 2022		Year ended 31 July 2021		
	Consolidated £m	Institution £m	Consolidated £m	Institution £m	
Research grants received on account	64.2	64.2	64.2	64.2	
Other income	30.6	30.6	41.8	41.8	
	94.8	94.8	106.0	106.0	
Note 25 Creditors: amounts falling due after more than one year					
	Year ended 31 July 2022		Year ended 31 July 2021		
	Consolidated £m	Institution £m	Consolidated £m	Institution £m	
Service concession liabilities due after one year	93.2	93.2	96.0	96.0	
Obligations under finance lease	-	47.4	-	48.6	
Long-term creditor	0.4	0.4	0.5	0.4	
Deferred income	6.0	6.0	7.0	7.0	
Bank and other loans	1.3	1.3	2.5	2.5	
Private placement	59.8	59.8	59.8	59.8	
	160.7	208.1	165.8	214.3	
Analysis of loans, private placement and finance lease					
Due within one year or on demand (Note 23)	1.1	3.8	3.2	7.0	
Due between one and two years	0.5	3.4	1.2	5.1	
Due between two and five years	0.8	10.9	1.2	12.7	
Due in five years or more	59.9	94.2	59.9	93.2	
Due after more than one year	61.2	108.5	62.3	111.0	
Total unsecured loans and finance leases	62.3	112.3	65.5	118.0	
Unsecured loans repayable by 2047	62.3	62.3	65.5	65.5	
	62.3	62.3	65.5	65.5	
Included in loans and private placement are the following:					
Lender	Amount	Term	Interest rate	Borrower	Date
	£m		%		
Unifund Plc	59.8	40 years - bullet repayment	5.33 - fixed	University	31 May 2007
Scottish Widows Ltd	0.7	15 years - quarterly repayment	5.46 - fixed	University	30 November 2007
			1.49 - variable		
Salix Finance Ltd	1.8	4 years - biannual repayment	interest free	University	
Total	62.3				

Notes to the financial statements

Note 26 Provisions for liabilities					
	Obligation to fund deficit on USS pension	USPS defined benefit obligation (Note 35)	Total pensions provisions	Other	Total provisions
	£m	£m	£m	£m	£m
Consolidated					
At 1 August 2021	101.9	122.6	224.5	1.2	225.7
Utilised in year	155.4	–	155.4	(0.2)	155.2
Additions in 2021-22	0.9	–	0.9	–	0.9
Unused amounts reversed in year	–	(95.6)	(95.6)	(0.8)	(96.4)
At 31 July 2022	258.2	27.0	285.2	0.2	285.4
Institution					
At 1 August 2021	101.9	122.6	224.5	1.2	225.7
Utilised in year	155.4	–	155.4	(0.2)	155.2
Additions in 2021-22	0.9	–	0.9	–	0.9
Unused amounts reversed in year	–	(95.6)	(95.6)	(0.8)	(96.4)
At 31 July 2022	258.2	27.0	285.2	0.2	285.4

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 35 (i).

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 35 (i). This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021, no deficit contributions from 1 October 2021 to 31 March 2022, payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038.

The major assumptions used to calculate the provision are:

	Year ended 31 July 2022	Year ended 31 July 2021
Discount rate	3.31%	0.87%
Salary growth	Year 1: 9.4% increase	Year 1: 8.8% increase
	Year 2: 5.7% increase	Year 2: 4.2% increase
	Years 3-5: 4.6% increase	Years 3-5: 2.5% increase
	Year 4+: 3% increase	Year 4+: 2.5% 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 2022:	Approximate impact
	£m
0.5% pa decrease in discount rate	10.8
0.5% pa increase in salary inflation over duration	10.8
0.5% pa increase in salary inflation year 1 only	1.2
0.5% increase in staff changes over duration	12.3
0.5% increase in staff changes year 1 only	1.2
1% increase in deficit contributions	41.1

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 £0.2 million for the disposal of a large Sr-90 source and for the disposal of two IBL 437C irradiators. The guarantee is in place until December 2023 at this value.

Notes to the financial statements

Note 27 Financial instruments				
	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Measured at fair value				
Non-current investments held at fair value (Note 16)	7.1	39.9	7.3	40.2
Endowment investments held at fair value (Note 22)	40.6	40.6	41.0	41.0
Measured at cost				
Trade and other receivables (Note 21)	94.9	96.3	91.3	93.5
Trade payables (Note 24)	(16.6)	(16.1)	(15.5)	(15.4)
Social security and other taxation payable (Note 24)	(9.1)	(8.9)	(8.3)	(8.3)
Accruals and deferred income due in one year (Note 24)	(164.4)	(163.2)	(168.7)	(168.0)
Accruals and deferred income due in more than one year (Note 25)	(6.0)	(6.0)	(7.0)	(7.0)
Other creditors due in one year (Note 24)	(37.4)	(38.5)	(39.7)	(40.5)
Other creditors due in more than one year (Note 25)	(0.4)	(0.4)	(0.4)	(0.4)
Bank and other non-secured loans (Note 24)	(1.2)	(1.2)	(3.3)	(3.3)
Bank and other non-secured loans (Note 25)	(1.3)	(1.3)	(2.5)	(2.5)
Private placement (Note 25)	(59.8)	(59.8)	(59.8)	(59.8)
	(153.6)	(118.6)	(165.6)	(130.5)

Notes to the financial statements

Note 28 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2022 Total	2021 Total
	£m	£m	£m	£m	£m
Balances at 1 August 2021					
Capital	24.6	9.5	7.1	41.2	40.3
Accumulated income	4.6	-	0.9	5.5	5.2
	29.2	9.5	8.0	46.7	45.5
New endowments	-	-	0.1	0.1	0.3
Investment income	0.6	0.3	0.2	1.1	1.0
Expenditure	(0.4)	(0.3)	(0.1)	(0.8)	(0.6)
Realisations	-	-	-	-	(0.2)
Reclassification	-	-	-	-	(3.6)
(Increase)/decrease in market value of investments	(0.4)	(0.1)	(0.1)	(0.6)	4.3
Total endowment comprehensive income for the year	(0.2)	(0.1)	0.1	(0.2)	1.2
At 31 July 2022	29.0	9.4	8.1	46.5	46.7
Represented by:					
Capital	24.1	9.4	7.0	40.5	41.2
Accumulated income	4.9	-	1.1	6.0	5.5
	29.0	9.4	8.1	46.5	46.7
Analysis by type of purpose:					
Lectureships	4.9	-	0.1	5.0	5.0
Scholarships and bursaries	17.8	-	5.0	22.8	22.8
Research support	1.7	-	0.7	2.4	2.3
Prize funds	2.0	-	1.8	3.8	3.9
General	2.6	9.4	0.5	12.5	12.7
	29.0	9.4	8.1	46.5	46.7
Analysis by asset					
Fixed assets	-	-	-	-	-
Current and non-current asset investments	-	-	-	40.6	41.1
Cash & cash equivalents	-	-	-	5.9	5.6
	-	-	-	46.5	46.7

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 2023.

	Balances at 31 July 2022:	
	Capital	Income
	£	£
Ellen Heatherington Arthritis Research	106,604	(19,815)
Kodak Ltd Chair of Radiodiagnosis	448,487	(6,178)
Herbert Price Prize	14,709	(10,469)
	569,800	(36,462)

Notes to the financial statements

Note 29 Restricted reserves

Reserves with restrictions are as follows:

	2022 Total	2021 Total
	£m	£m
Balances at 1 August 2021	6.8	3.4
Research grant income	0.4	0.1
Other restricted income	1.1	1.3
Expenditure	(2.1)	(1.6)
Reclassification of reserves	-	3.6
Total restricted comprehensive (expenditure)/income for the year	(0.6)	3.4
At 31 July 2022	6.2	6.8
Analysis of other restricted funds/donations by type of purpose:		
Lectureships	-	-
Scholarships and bursaries	1.7	1.2
Research support	3.6	4.4
Prize funds	-	-
General	0.9	1.2
	6.2	6.8

Note 30 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2022:

	Year ended 31 July 2022	Year ended 31 July 2021
	Total £m	Total £m
Consolidated and institution		
Commitments contracted for	34.9	76.9
Commitments not contracted for	53.6	36.5
	88.5	113.4

Note 31 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:

SUEL Limited
Unicus Sheffield Limited

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 32 Linked charities

Included in the endowments in Note 28 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						
4 funds and charities each with income below £100,000:	0.4	-	-	-	-	0.4
	0.4	-	-	-	-	0.4

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

Notes to the financial statements

Note 33 Lease obligations

Total rentals payable under operating leases:

	31 July 2022			31 July 2021
	Land and buildings	Vehicles	Total	Total
Consolidated and institution				
	£m	£m	£m	£m
Payable during the year	9.7	–	9.7	10.2
Future minimum lease payments due:				
Not later than 1 year	10.4	–	10.4	9.3
Later than 1 year and not later than 5 years	43.5	–	43.5	39.4
Later than 5 years	11.7	–	11.7	10.4
Total lease payments due	65.6	–	65.6	59.1

Note 34 Events after the reporting period

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

Notes to the financial statements

Note 35 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 2022	Year ended 31 July 2021
Statement of comprehensive income - net pension cost in year		£m
USS contributions	72.0	68.2
USPS service costs	6.8	6.6
NHSPS contributions	1.8	1.7
Movement on USS provision in staff costs (Note 8)	155.4	4.3
USS pension finance cost (Note 9)	0.9	0.7
USPS and ex-gratia pensions net interest charge (Note 9)	2.0	2.5
USPS administration cost in other operating expenses	1.6	1.8
	240.5	85.8
Other comprehensive income - actuarial loss/(gain) in respect of pension schemes		
USPS including FRS 102 adjustments	(95.8)	(42.6)
Statement of financial position - pension scheme liability (Note 26)		
USS	258.2	101.9
USPS including FRS 102 adjustments	27.0	122.6
	285.2	224.5

(i) The Universities Superannuation Scheme

The total cost charged to the income and expenditure account is £156.3 million (2021: £5.0 million).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

Notes to the financial statements

Note 35 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	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%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	Year 1: 9.4% increase Year 2: 5.7% increase Years 3-5: 4.6% increase Years 4+: 3% increase	Year 1: 8.8% increase Year 2: 4.2% increase Years 3+: 2.5% increase Years 4+: 2.5% increase

(ii) University of Sheffield Pension Scheme

Disclosure for the accounting period ending 31 July 2022

The last formal triennial actuarial valuation of the scheme was performed as at 1 April 2020 by a professionally qualified actuary. The University engaged an independent actuary to provide a valuation for accounting purposes at 31 July 2022. The benefit obligations have been rolled-forward from the corresponding valuation for accounting purposes as at Prior Year End (which itself was based on a projection from the Statutory Funding Valuation) to the Year End measurement date allowing for interest on the liabilities, the accrual of further benefits by active members, the actual benefits paid out and an estimate of the effect of any changes in the actuarial assumptions.

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 £365,601 p.a. These liabilities are not separately funded.

Under the Schedule of Contributions the University has agreed to pay deficit contributions of £500,000 per year from 1 April 2022 to 31 March 2027 (inclusive), payable quarterly in equal instalments by 31 July, 31 October, 31 January and 30 April each year, with the last payment being due by 31 January 2027.

Assumptions

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

	At July 2022	At July 2021
	%pa	%pa
Price inflation (RPI)	3.15	3.15
Price inflation (CPI)	2.70	2.70
Rate of increase in salaries	3.40	3.40
Cash balance revaluation	2.50	2.50
Pension increases - CPI (scheme members excess benefits)	2.70	2.70
Pension increases - CPI max 3% (post 88 GMP)	2.10	2.15
Pension increases - RPI (ex-gratia academic staff)	3.15	3.15
Pension increases - 3% fixed (ex-gratia academic staff)	3.00	3.00
Discount rate	3.50	1.65

In both the current and prior year, the post-retirement mortality table used is the S3 normal CMI_2019 projection with 1.5% p.a. long-term trend rate.

Notes to the financial statements

Note 35 Pension schemes (continued)

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 2022	22.1	23.1	24.5	26.2
At 31 July 2021	22.1	23.0	24.4	26.1

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 2022	31 July 2021	31 July 2020
	£m	£m	£m
Equities	89.3	103.3	96.2
Government bonds	10.2	7.8	7.7
Corporate bonds	76.2	75.3	54.2
Property	20.2	18.5	17.8
Cash	3.3	7.1	10.7
Other	42.6	39.0	37.9
Total	241.8	251.0	224.5

Other assets include insured annuities of £11.4 million (2021: £12.7 million).

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 £3.4 million of the total liabilities of £268.8 million (2021: £4.2 million of £373.6 million) and £0 million of the total assets of £241.8 million (2021: £0 million of £251.0 million).

	Year ended 31 July 2022	Year ended 31 July 2021
	£m	£m
Analysis of the amount shown in the balance sheet for USPS and ex-gratia pensions:		
Scheme assets	241.8	251.0
Scheme liabilities	(268.8)	(373.6)
Deficit in the scheme – net pension liability recorded within pension provisions	(27.0)	(122.6)
Amount charged to income and expenditure for USPS		
Current service cost	6.8	6.6
Administration expenses	1.6	1.8
Total operating charge	8.4	8.4
Analysis of the amount charged to interest payable for USPS and ex-gratia pensions		
Interest cost	5.9	5.8
Expected return on assets	(3.9)	(3.3)
Net charge to interest payable	2.0	2.5
Analysis of other comprehensive income for USPS and ex-gratia pensions		
Loss/(gain) on assets	13.1	(25.5)
Experience loss/(gain) on liabilities	6.9	(35.9)
Gain on liabilities	112.0	18.8
Total other comprehensive income before deduction for tax	132.0	(42.6)

Notes to the financial statements

Note 35 Pension schemes (continued)

	Year ended 31 July 2022	Year ended 31 July 2021
	£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	96.2	138.9
Cumulative actuarial losses recognised at the end of the year	0.4	96.2
Analysis of movement in deficit for USPS and ex-gratia pensions		
Deficit at beginning of year	122.6	164.3
Contributions or benefits paid by the University	(10.1)	(10.0)
Current service cost	6.8	6.6
Administration charge	1.6	1.8
Net interest cost	2.0	2.5
Loss recognised in other comprehensive income	(95.9)	(42.6)
Deficit at end of year	27.0	122.6
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	373.6	388.8
Current service cost (net of member contributions)	6.8	6.6
Interest expense	5.9	5.8
Actual member contributions (including notional contributions)	0.4	0.3
Actuarial gain	(108.9)	(17.1)
Actual benefit payments	(9.0)	(10.8)
Present value of USPS and ex-gratia liabilities at the end of the year	268.8	373.6
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	251.0	224.5
Expected return on assets	3.9	3.3
Actuarial gain on assets	(13.1)	25.5
Actual contributions paid by University	9.7	9.6
Expenses paid from scheme assets	(1.7)	(2.0)
Actual member contributions (including notional contributions)	0.4	0.3
Actual benefit payments	(8.4)	(10.2)
Fair value of scheme assets at the end of the year	241.8	251.0
	Year ended 31 July 2022	Year ended 31 July 2021
	£m	£m
Actual return on scheme assets		
Expected return on scheme assets	3.9	3.3
Actuarial gain on assets	(13.1)	25.5
Actual return on scheme assets	(9.2)	30.9

Estimated contributions for USPS in the Financial Year 2022–2023 is £10.2 million.

Notes to the financial statements

Note 36 Related party disclosure

Due to the nature of the University's operations and the composition of its Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The University has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

The University of Sheffield Pension Scheme (USPS) is a post-employment benefit plan for the benefit of employees of the University of Sheffield, and as such is defined as a related party under FRS102. Transactions between the University and USPS are disclosed in Note 35.

Entities over which the University has control, joint control or significant influence

	Income from related party	Expenditure to related party	Balances due from the related party	Income from related party	Expenditure to related party	Balances due from the related party
	Year ended 31 July 2022			Year ended 31 July 2021		
	£m	£m	£m	£m	£m	£m
Aeqora Limited	-	0.1	-	-	0.1	-
Evolutor Limited	-	0.1	-	-	-	-
MetalloBio Limited	-	0.1	-	-	-	-
Phlux Technology Ltd	-	0.1	-	-	-	-
Plume Biotechnology Limited	-	0.1	-	-	-	-
Redbrick Molecular Limited	-	-	-	0.1	-	-
Rinri Therapeutics Limited	0.9	-	-	0.2	-	-
Sheffield University Student's Union	1.0	0.7	0.1	1.3	1.8	0.2
The Russell Group of Universities	-	0.1	-	-	0.1	-
Sheffield Advisory Services Sdn Bhd	-	0.2	-	-	-	-
N8 Limited	0.4	0.1	-	0.3	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 the related party	Income from related party	Expenditure to related party	Balances due from the related party
	Year ended 31 July 2022			Year ended 31 July 2021		
	£m	£m	£m	£m	£m	£m
Sheffield Teaching Hospitals NHS Foundation Trust	14.4	5.1	2.0	14.3	4.0	2.8
Henry Boot Plc	-	0.1	-	-	0.4	-
DLA Piper	-	-	-	-	0.8	-
Universities and Colleges Admissions Service (UCAS)	-	0.2	-	-	0.2	-

Sheffield Teaching Hospitals NHS Foundation Trust is a provider of healthcare services. Professor Christopher Newman and Martin Temple CBE are both Non Executive Directors 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.

The University Chief Financial Officer is on the Finance Committee of UCAS.

Council Members

Expenses were paid to three Council members totalling £300 in respect of their duties as Council members in the year to 31 July 2022 (2021: £0). No remuneration was paid to or waived by Council members in connection with their duties as Council members (2021: £0).

Notes to the financial statements

Note 37 US Department of Education financial responsibility supplemental schedule

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

The amounts presented within the schedules have been:

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

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

Description - supplemental schedule	Description - UK GAAP accounts	Notes	31 July 2022	31 July 2021
			£m	£m
Primary reserve ratio				
Expendable net assets				
Net assets without donor restrictions	Income and expenditure reserve - unrestricted reserves	Balance sheet	1,340.3	1,175.0
Net assets with donor restrictions	Income and expenditure reserve - endowment reserve	Note 28	46.5	46.7
Net assets with donor restrictions	Income and expenditure reserve - restricted reserve	Balance sheet	6.2	6.8
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20, 36	(3.0)	(3.7)
Property, plant and equipment, net	Fixed assets consolidated net book value	Note 14	(1,458.4)	(1,296.5)
Property, plant and equipment - pre-implementation	Fixed assets consolidated net book value at 1 August 2019 less depreciation and disposals, excluding service concessions	Note 14	(1,010.4)	(1,084.2)
Property, plant and equipment - post-implementation without outstanding debt for original purchase	Freehold land and buildings and equipment additions and transfers since 1 August 2019, excluding service concessions	Note 14	(298.1)	(122.7)
Construction in progress	Assets in the course of construction	Note 14	(150.0)	(89.6)
Lease right-of-use assets, net	Service concession arrangements	Note 14	(192.7)	(187.7)
Lease right-of-use asset pre-implementation	Service concession arrangements at 1 August 2019 less subsequent depreciation and disposals	Note 14	(222.9)	(222.9)
Lease right-of-use asset post-implementation	Service concession arrangements - additions since 1 August 2019	Note 14	30.2	35.2
Intangible assets	Software	Note 13	(7.4)	(6.0)
Post-employment and pension liabilities	Pension provisions	Note 26	285.2	224.5
Note payable and line of credit for long-term purposes (both current and long term) and line of credit for Construction in process	Borrowings	Note 25	62.3	65.5
Lease right-of-use asset liability	Service concession liabilities	Note 25	93.2	96.1
Lease right-of-use asset liability - pre-implementation	Service concession liabilities at 1 August 2019	Note 25	101.8	101.8
Lease right-of-use asset liability - post-implementation	Service concession liabilities movement since 1 August 2019	Note 25	(8.6)	(5.7)
Perpetual funds	Endowment reserve - restricted permanent endowments	Note 28	(29.0)	(38.7)

Notes to the financial statements

Note 37 US Department of Education financial responsibility supplemental schedule (continued)

Description - supplemental schedule	Description - UK GAAP accounts	Notes	31 July 2022	31 July 2021
			£m	£m
Total expenses and losses				
Total operating expenses	Total expenditure	CSCI	893.0	708.5
Investment return appropriated for spending	Investment income	CSCI	(2.3)	(1.2)
Investments, net of annual spending gain (loss)	Loss on investments	CSCI	0.6	(12.0)
Pension-related changes other than net periodic pension costs	Actuarial gain on pension scheme	CSCI	(95.8)	(42.6)
Other gains (loss)	Share of operating surplus/(deficit) of joint ventures and associates	CSCI	140.0	0.5
Investments, net of annual spending, gain (loss)	Net investment losses	CSCI	(1.7)	(13.3)
Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	CSCI	-	-
Equity ratio				
Modified net assets				
Net assets without donor restrictions	Net assets without donor restrictions	Balance sheet	1,340.3	1,175.0
Total net assets with donor restrictions	Net assets with donor restrictions	Balance sheet	52.7	53.5
Intangible assets	Software	Note 13	7.4	6.0
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20	3.0	0.7
Modified assets				
Total assets	Non-current assets	Balance sheet	1,665.0	1,498.1
Total assets	Current assets	Balance sheet	405.7	360.1
Lease right-of-use asset pre-implementation	Service concession arrangements at 1 August 2019	Note 14	222.9	222.9
Lease right-of-use asset liability pre-implementation	Service concession liabilities at 1 August 2019	Note 14	101.8	101.8
Intangible assets	Software	Note 13	7.4	6.0
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20	3.0	0.7
Net income ratio				
Change in net assets without donor restrictions	Total comprehensive income for the year	CSCI	165.3	125.9
Total operating revenue and other additions and sale of fixed assets, gains (losses)	Total income and loss on disposal of fixed assets, less investment income	CSCI	820.0	743.3

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