

University of East Anglia

Annual Report and Financial Statements

2021 - 2022



University of East Anglia

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Charity Trustees and Members of Council

Appointments/retirements		Term of Office ends
Independent Members		
Sally Howes (Chair from 1 August 2021)		31-Jul-2024
Mark Williams (Treasurer)		31-Jul-2024
Jeremy Clayton (Deputy Chair from 1 August 2021)		31-Jul-2025
Andrew Wood (Senior Independent Member from 1 August 2021)		31-Jul-2023
Gillian Maclean		31-Jul-2025
Stephen Blease	Retired 31 July 2022	31-Jul-2022
Jeanette Wheeler		31-Jul-2025
Stephen Evans		31-Jul-2023
Jonathan Paine	Appointed 1 August 2021	31-Jul-2024
Lu-Yun Lian	Appointed 1 August 2022	31-Jul-2025
Francis Tengenasha	Appointed 1 August 2022	31-Jul-2025
Thomas Mather	Appointed 1 August 2022	31-Jul-2025
Ex-officio Members		
David Richardson (Vice-Chancellor)		n/a
Fiona Lettice (Pro Vice-Chancellor)		31-Jul-2024
Christine Bovis-Crossen (Provost and Deputy Vice-Chancellor)	Appointed 1 September 2021	n/a
Appointed by Senate		
Ratula Chakraborty	Retired 31 July 2022	31-Jul-2022
Usha Sundaram	Appointed 1 August 2021	31-Jul-2024
Laura Camfield	Appointed 1 August 2022	31-Jul-2025
Elected by the support staff		
Kristopher Harper-Allison	Appointed 1 August 2021	31-Jul-2024
Student Members		
Elizabeth Payne	Retired 31 July 2022	31-Jul-2022
Ivo Garnham	Retired 31 July 2022	31-Jul-2022
Taylor Sounes	Appointed 1 August 2022	31-Jul-2023
Serene Shibli Sexton	Appointed 1 August 2022	31-Jul-2023

Updated information on Members of Council is available via the University's website or by contacting the University.

Vice-Chancellor

David Richardson BSc, PhD

Treasurer

Mark Williams, BA, MSc, CTA, CLD

Director of Finance

Jason Brown BA, FCCA

Bankers

Barclays Bank plc
5 - 7 Red Lion Street
St Stephens
Norwich
NR1 3QH

NatWest Bank plc
21 Gentleman's Walk
Norwich
NR2 1NA

Investment Managers

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Brown Advisory
18 Hanover Square
London
W1S 1JY

Barclays Wealth (in respect of a specific donation)
1 Churchill Place
Canary Warf
London
E14 5HP

Independent Auditors

KPMG LLP
Botanic House
100 Hills Road
CAMBRIDGE
CB2 1AR

Business Review

The academic and financial year 2021-22 continued to be overshadowed by Covid-19. We are very proud of the way the University community has continued to operate and we could not have asked for more from our staff and students. This year has been marked by a sense of real positivity as the campus has come back to life once more with hundreds of teaching events and other activities taking place in person. We know that the students and staff are delighted to be back and bring with them great enthusiasm to be together again. Of course, we still need to be mindful, the pandemic is not over and remains a threat. We will continue to promote cautious and respectful behaviour, whilst keeping abreast of any emerging financial impacts.

From a financial point of view this year has not been without challenge. The year started with a shortfall versus our entry targets with a consequential impact on commercial activities (notably student residences). Whilst this was swiftly mitigated, this was soon overshadowed by uncertainty in the energy markets and rising inflation, increasing costs for the University significantly. These and other economic headwinds continue to be challenging to manage and respond to.

The results of UEA's submission to the Research Excellence Framework (REF) 2021 were announced in May 2022 and confirmed UEA's position as a Top 20 research intensive university. Our submission included 1,836 outputs from 793 researchers, together with 73 impact case studies and 23 environment statements and with information about our research environment, grants and post graduate degree completions. REF2021 has been an enormous collaborative effort and we are grateful to the hundreds of academic and support staff involved. We are incredibly proud of our REF2021 submission. The results of the REF inform the allocation of about £2billion of public research funding to higher education institutions.

The University continues to enjoy a strong league table position, delivering a Top 30 performance in two of the main UK tables this year (The Times/Sunday Times Good University Guide and the Complete University Guide).

This year's financial statements record a net surplus position for the year and continue to be prepared under Financial Reporting Standard 102, which requires certain non-cash items to be brought onto the face of the accounts in the Statement of Comprehensive Income and Expenditure (SOCIE). Significant factors impacting the net surplus position include:

- The underlying financial position (prior to recognising movement in respect of pension schemes) was a deficit of £13.9m - (2021: £4.6m surplus). The movement between years are highlighted further within the business review.
- The 2021 student recruitment cycle was challenging, due in part to a lack of on-campus open days as a result of Covid-19 restrictions and the continued impact on exam results from teacher and centre assessed grades which has seen higher ranking Universities over-recruit with many mid-tariff Universities such as UEA falling short of their targets. There has also been an impact from changes in the international recruitment markets and the challenges of international travel during the pandemic.
- From a cash perspective, despite the pandemic the University continued to be cash generative with net cash inflow from operating activities of £13.7m (2021: £29.3m).
- The consolidation of the Quadram Institute Biosciences ("QIB") and The Sainsbury Laboratory ("TSL") are reflected as a £0.2m loss and £0.3m surplus respectively.

During the year, the University continued the work that had been planned on the second five-year phase of the 15-year Vision. The key themes of the Vision have been retained and the early stages of the new plan will focus on the recovery from the pandemic, through an ambitious two-year change programme (see the Outlook section of this report). The critical work on the Lasdun Wall (the first part of the Campus Development Plan (CDP)) continues, and a planning application subject to agreed restrictions was approved by Norwich City Council in September 2022. The Digital Transformation Programme (DTx) started to work in tandem with the CDP. The continuing themes of the five-year plan are:

- Student Success: creating the "must go to" university destination of tomorrow
- Research Success: solving global challenges by increasing our research reputation and impact
- Staff success: one team with one clear vision, right at the heart of a stimulating university community
- Global success: creating closer partnerships with students, staff, alumni and organisations around the world.

Business review (continued)

Key Financial Highlights

2021-22 proved to be another challenging year for the University and its subsidiaries, as well as our staff and students, whilst we continued to navigate our way through the ongoing impact of the pandemic and lower than planned student numbers. The key financial highlights for the year, compared to the previous year, are summarised below:

	2022	2021	Increase/ (decrease) on 2021
	£m	£m	
Group income (excluding joint ventures)	321.4	320.0	0.4%
Expenditure	395.6	315.9	25.2%
Surplus/(Deficit) for the year before taxation	(74.1)	4.6	
Adjusted (Deficit)/Surplus for the year (prior to recognising movement in respect of pension schemes)	(13.9)	4.6	
Adjusted (Deficit)/Surplus as % of group income	(4.3%)	1.4%	
Capital expenditure additions	27.3	39.1	(30.2%)
Capital grants receivable	2.5	11.0	(77.3%)
Net cash inflow from operating activities	13.7	29.3	34.5%
Net assets	325.3	375.3	(13.3%)

Income & Expenditure

The total comprehensive deficit for the year is £50m (2021: £13.6m surplus). This is after recognising the actuarial gain in respect of pension schemes of £24.1m, and the increase in the USS pension deficit £60.2m, included within staff costs. Adjusting for these two items, the Group has delivered a deficit for the year of £13.9m (2021: £4.6m surplus).

Group income of £321.4m increased by £1.4m, up 0.4% over the previous year. Funding body grants remained at £41.1m reflecting the allocation of specific grants during the year in relation to the Global Challenges Research Fund and additional capital grants. The recurrent teaching grant remains stable, recognising the fact that virtually all remaining funding for teaching relates to Medicine and Science students, as well as funds to support widening access programmes.

Within tuition fees and education contracts income, Home full-time student fees reduced by £3.7m to £115.3m (3.1% down on last year) and Overseas student fees increased in the year to £37.8m (2021: £30.4m). The decrease in Home student fee income is due to several underlying factors. The University has suffered from the lack of on-campus open days, which have always previously been successful in achieving above-sector conversions from this activity. This is the first year after the demographic dip in 18-year-olds and this alongside teacher assessed grades, has seen higher ranking Universities over-recruit, with many mid-tariff Universities like UEA falling short of their targets. The market has yet to stabilise after the turmoil of the pandemic. The figure also represents the continuation of higher recruitment (from previous years) into future years of courses, which has held with returning student attrition remaining at low levels. The increase in international student fee income relates to an increase in the unregulated fee rates for the year, which have been increased in line with market rates, this has offset the reduction in the number of postgraduate taught students due to travel restrictions because of the pandemic. The University continues to benefit as a result of students progressing from the INTO joint venture.

Research income reduced by £5.8m (9.8%) primarily due to a change in the profiling of research grant receipts during the pandemic, whereby grants were received in advance which have now reverted to pre-pandemic funding profiles. Other income at £55.4m is £3.5m higher than 2021 (£52m) primarily due increased trading activities of £8.0m (residences, catering, conferences and other services) post-pandemic, offset by a reduction in the receipt of externally funded capital grants of £6.1m.

Total expenditure increased by £79.7m, 25.2% in the year (2021: £34.8m increase). This was primarily a result of the movement in the USS pension liability of £60.2m increase compared to a reduction of £0.01m in 2021. Excluding the pension provisions, there is an overall net increase in spend of £19.5m, arising in part due to a return to a "business as usual" landscape post-pandemic. Interest payable costs have remained constant, reflecting loan interest costs of £4.5m and interest charged on pension liabilities of £0.8m (non-cash).

Business review (continued)

Reserves

Net assets reduced in the year by £50m to £325.3m. The movement includes a £37.4m increase in the pension provisions included in staff costs and the SOCIE.

Capital Expenditure and Grants

Total tangible fixed asset additions in the year amounted to £27.3m (2021: £39.1m) and capital grants receivable in the year (excluding joint ventures) relating to tangible fixed asset expenditure amounted to £2.5m (2021: £11.0m). The major areas of capital expenditure during the year included:

	£m
Campus Development Programme (phase 0)	3.5
Improvements	3.5
IT	7.7
Faculty and research	2.9
Fire remedial works	3.5
Other capital expenditure	6.2
	27.3

Cash and Debt

Net operating cash flow

Cash inflow from operating activities before endowment expenditure for the year was £13.7m (2021: £29.3m). Total debt service costs, relating to both loans and finance lease commitments were £6.5m (2021: £6.6m). Cash inflow from operating activities plus investment income (£0.5m) was £14.2m, which at 2.2 times total debt service costs comfortably exceeds the minimum multiple of 1.2 times, being the principal financial covenant required under the terms of the University's banking facilities.

Net debt

Consolidated net debt, being loans and finance leases less cash and cash equivalents, decreased during the year by £13m to £66m.

Loans

The 10-year revolving credit facility with NatWest Bank of £100m at a rate of 1.67%, remains undrawn at the end of the financial year after a repayment of £15m during the financial year. All remaining loans are fully drawn and on an unsecured basis with average loan interest rates at 2.6%.

Cash balances

The University remains confident that it has in place adequate funding to support the operational and development plans, and to provide a reserve for managing financial risks, over the next five years.

Cash and cash equivalents, excluding endowment assets (£6.6m), reduced during the year by £16.4m to £45.6m, with a further £24m (2021: £11.5m) held as a short-term deposit. A prudent policy is applied to the investment of short-term deposits. In particular, the University regards the security of deposits as being far more important than the marginally better interest rates that may be available from certain overseas or lower-rated banks.

In late December 2021, the University completed a variation to the ground lease associated with the buildings occupied by the joint venture (INTO UEA LLP). The buildings were assigned on a long lease to Aviva Life and Pensions UK limited for a period of 50 years. This triggered a revaluation of the lease with UEA, with a 50% share of the net proceeds (£36.1m), of which £25.8m (as disclosed in the cashflow statement) paid direct to the University during the year. The remaining £10.3m is held in escrow for release over the next 4 years. The amount is held as deferred income and will be amortised over the 50-year life of the lease.

Joint Ventures

The joint venture, INTO UEA LLP ("INTO UEA Norwich"), referred to in note 14 to the financial statements, has been significantly impacted throughout the pandemic. For the year 2021/22, the joint venture has reported significant losses as a result of lower recruitment, with costs being managed tightly throughout the year. In anticipation of the impact of the pandemic and likely period of recovery, the joint venture identified a need to access the Government supported CBIL scheme to support cashflow requirements for the current year and beyond. The University and its other joint venture partner (INTO University Partnerships) are each acting as guarantors in respect of this loan (50% each) to a maximum total value of £7m. It is anticipated that there will be no distribution in respect of 2021/22 nor for the next five years while the joint venture recovers and builds up surpluses for distribution.

Business review (continued)

Outlook

The Covid-19 pandemic has affected the world significantly. The immediate response to the pandemic led to major and swift changes to the operation of the University and our ability to deliver our academic and civic mission. Actions were taken to manage and secure the immediate personal, academic, and financial impacts for 2019/20 and this has been mirrored again through the 2020/21 and 2021/22 financial years. Looking ahead we are more positive in our outlook, the vaccine programme has been a success and we are returning to a new normal; mindful that the pandemic is still with us. To move forward, we have to find a way to live alongside the virus.

Nonetheless, the pandemic has had a serious financial impact on UEA, as well as many others in the Higher Education sector. Annual budgets were already reduced as the University began to live within the financial constraints required by the CDP and DTx programmes. Covid has only exacerbated the situation, at a time when the sector has seen tuition fees frozen at £9,250 since 2017, an effective real terms reduction of circa 30% by the end of financial year 2022/23. And, of course, financial uncertainty continues - the effects of Brexit, inflationary pressures on pay, pensions and energy costs, and continued uncertainty with Government policy towards the University sector and immigration, most notably student visas. Alongside balancing these pressures, we continue to ensure that we do nothing that will impact the long-term reputation for excellent teaching and high-quality high impact research.

It should be noted that Council has again approved a deficit budget for 2022/23 of circa £18m, a result of continuing pressures on student recruitment, real value of tuition fees, the pandemic and the costs of the Campus Development Plan. The generally accepted average surplus position that higher education institutions should be delivering is circa 3%. UEA has not achieved this level of return for many years, but Council and the Executive Team are determined to see the University move to a more sustainable financial performance in the short-term.

Before UEA can grow, the University must first stabilise post the pandemic; reassess its financial performance; and make sure the operating model supports the needs of the CDP, new ways of working and a healthy, thriving student and staff community. To stabilise, Council has approved a two-year recovery programme, proposed by the Executive Team, to deal with both the internal and external pressures facing UEA. In parallel, we will use the data gathered and ideas generated from the various projects to shape our thinking on the UEA of the future, in preparation for the next long-term plan - Vision 2040.

The Strategic Review Programme (SRP) is an ambitious two-year change programme (2022-24) that is designed to provide the platform for UEA's future success. SRP has four overall aims:

- Improved financial sustainability
- Streamlined educational offer and enhancement of the student experience
- Improved reputation
- Efficiency and effectiveness: improved structure and governance

The programme includes projects which will deliver cost savings within two years; projects which will indirectly create cost savings going forward; and finally, projects with benefits which will take longer to realise, but which are crucial to developing the strong foundations required to achieve long-term sustainable financial performance.

Overall, the University fell approximately 8% short (2021:17% short) of entry targets in a highly competitive market, giving rise to an overall adverse financial impact of £6.4m. We believe this is linked partly due to the lack of on-campus open days, where we see high levels of conversion, and the impact of how A level grades were awarded this year, based on teacher assessments, leading to increased competition in the marketplace. In response to this shortfall, we have recast spending plans to align with lower numbers of students in order to achieve our planned deficit budget for 2022/23. The financial landscape is discussed regularly by the Executive Team, Finance Committee and Council, as well as shared with staff and their representatives. There is currently headroom in both our forecast cash balances and banking covenant compliance before additional mitigations would be required.

Further impact on the University has been the impact of the volatility in the energy markets leading to significant increases during 2021/22. Provisions have been built into the Universities long term financial plan for a period of three years. To mitigate further increases the University has fixed the price on 80-100% of our estimated usage through to Spring 2024 to provide certainty of costs. We continue to monitor the marketplace and will undertake further fixes if they become available at favourable rates. Further inflationary pressures are being managed through procurement contracts already in place.

The University is exposed to the risk of interest rates on the £100m revolving credit facility. Whilst undrawn at present drawdowns are planned over the next three years to support the Campus Development Programme. Stress testing has been undertaken with banking covenants remaining satisfied.

Business review (continued)

The uncertainty in recent years in respect of the national pension scheme for the university (USS) has lessened with the Benefit Change Deed being signed in February 2022, confirming the increase in contributions of 0.5% indefinitely (split 0.3% to employers and 0.2% to employees). The 31 March 2020 valuation has been reflected in these financial statements. Given the timing of the valuation and the changes to long-term interest rates and gilt yields, the outcome of this valuation has seen an increase in the deficit of £60.2m. The adjustment is not an actuarial liability but an accounting provision to reflect that there is a contractual obligation to fund the deficit in the scheme, at the time of the valuation, over several years. The movement on this provision is reported as part of the staff costs and has the effect of increasing the deficit. The next triennial valuation of USS is due 31 March 2023. With the current turmoil in the marketplace, it is difficult to predict the likely outcome of this exercise.

Staff costs continue to represent around 60% of total expenditure, excluding depreciation and interest, and any increase in employment costs may have a significant impact on the overall financial position. The annual pay award for 2022/23 is 3%, the highest increase in recent years. With the increase in the cost of living, at present, there is continued pressure from Unions to further increase salaries and ballots for industrial action in respect of both pay and pensions are being undertaken. At the date of signing the financial statements, UCU are commencing a period of strike action and action short of a strike (ASOS). It should also be noted that the University continues to be a Living Wage Foundation accredited real living wage employer, which will see our lowest salary points increase by 9.9% with effect from April 2023.

Council endorsed a new strategy and approach defined as the Campus Development Programme late in 2020, and with planning and listed building consent now granted, we are pleased that the critical work on the Lasdun Wall can commence and enable us to push forward with the Campus Development Programme (CDP) designed to support a University that is sustainable and fit for the future, focussing on the need to deliver on our ambition to be a net zero campus by 2045. We continue to explore different ways of working and using our space and buildings more efficiently. The CDP is a multi-year phased programme of work based on four key areas:

- The urgent repair and refurbishment of the Lasdun Wall
- Maximising existing buildings to create great teaching, learning, research and workspaces
- Exploring more diverse ways of working as individuals, teams and as a community
- Supporting staff to develop a working model that balances the needs of their role with their personal circumstances

Our focus will remain on delivering a strong operating cash flow to maintain financial sustainability to complement the loan facilities, to deliver the Campus Development Programme and an emerging Digital Transformation Plan, underpinned by the Strategic Review Programme, to ensure that UEA remains the “must go to” University for promoting the success of staff and students.

David Richardson

Mark Williams

Corporate governance statement

This summary describes the approach taken by the University about governance, and its purpose is to assist the reader of the financial statements in understanding how the principles have been applied.

Principles and ethos of the University

The University aims to conduct its activities in accordance with the seven principles set out in the Nolan Committee's Report on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The University takes account of best practice in all aspects of corporate governance, applying the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council, as appropriate to universities, and specifically complying with The Higher Education Code of Governance [the "Code"] issued by the Committee of University Chairs in September 2020. The Code operates on a "comply or explain" basis. During the year an independent Governance Review was undertaken by the Halpin Partnership and this review concluded in May 2022. The overall conclusion of that review was "that UEA is broadly compliant with the CUC code and OfS governance requirements". As with all such reviews, a range of recommendations and suggestions has been made together with some commendations. The Governance Committee of the Council is currently working through these recommendations and suggestions to ensure a suitable response is made. Specific points are highlighted below, and the full review is available on the University's website.

Compliance with the Higher Education Code of Governance [the "Code"]

As mentioned above the University has adopted the Code and seeks wherever possible to comply with its requirements. An internal review of our compliance with the Code was undertaken in May 2021 followed by the Halpin Review referenced above. Our internal review identified one specific area of non-adherence, and this relates to the KPI's linked to the current five-year plan. In use, these were found to be cumbersome and challenging to maintain and update. A decision was therefore taken not to continue with this set of KPIs for the balance of the existing plan but with the establishment of workable KPIs being a priority for the next stage of the plan. Council do regularly monitor other proxy information including the financial, teaching and research performance.

The Halpin Review made some specific recommendations for improvements to be fully compliant with the Code and these related to improving transparency both in terms of reducing the use of papers classified as confidential and improving the range of information available on our website. A new Statement of Primary Responsibility and a Scheme of Delegation for Council were approved and published. During the year the Governance section of the website has been radically overhauled, and information is both easier to find and more information is routinely published. This will further improve during this academic year. We have also recently launched a revised conflict of interest policy and asked Council members to complete some of the mandatory training required of staff in the University (notably, Equality Diversity and Inclusion and Information Security (GDPR)).

Statement of Council responsibilities in respect of the financial statements

Council is responsible for preparing 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.

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

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 Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations or have no realistic alternative but to do so.

Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. They are responsible

Corporate governance statement (continued)

for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Council is also responsible for ensuring that:

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

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.

University constitution and structural organisation

Council is the governing body of the University and has a majority of independent members. The full detail of membership is shown on page two of these statements. It usually meets six times a year (the minimum requirement is to meet at least four times a year) and, following the Governance Review has the following committees: Finance Committee, Governance Committee, Audit Committee and Senior Officers' Remuneration Committee (SORC).

All these committees are formally constituted with written terms of reference, delegated powers and specified membership, including a proportion of independent members. All Committees (except Audit Committee and Governance Committee) now include student membership. Day-to-day management of the University is the responsibility of the Vice-Chancellor and other members of the Executive Team.

A separate body, the Senate, is the academic authority of the University, drawing its membership from the academic and academic-related staff, students at the University and a representative of its partner institutions. Council consults and receives assurances from Senate on all academic matters and retains ultimate responsibility for decisions (where academic issues involve strategic, financial or other resource implications). In addition, to strengthen the relationship between Senate and Council, three Council members attend Senate meetings as observers.

In respect of its strategic and development responsibilities, Council receives recommendations and advice from Finance Committee. Finance Committee is chaired by The Treasurer (since 1 January 2022) and recommends to Council the University's annual revenue and capital budgets, and monitors performance in relation to the approved budgets.

Governance Committee oversees Council membership and succession planning, participation in a national Apprentice Governor scheme, considers nominations for co-opted members on Council and its committees under the relevant Statute, and is responsible for monitoring the implementation of the findings of the 2022 Halpin Council Effectiveness Review. This Committee will also commission future periodic reviews of Council Effectiveness. The Committee is chaired by the Chair of Council and has a majority of independent members, including the Senior Independent Member.

Audit Committee meets at least four times a year, with the University's external and internal auditors in attendance, and is comprised entirely of independent members. It considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It also considers the annual financial statements, which it recommends for adoption by Council. Audit Committee reviews the effectiveness of the risk management process and the quality of information feeding into that process. It also ensures that satisfactory arrangements are in place to monitor and review economy, efficiency and effectiveness. Senior Officers attend meetings of the Audit Committee as necessary, but they are not members of the Committee. In addition, Audit Committee routinely meets with the internal and external auditors without any officers present.

The Senior Officers' Remuneration Committee (SORC) considers the remuneration of the members of the Executive Team and other defined Senior Officers of the University and approves the guidance used by the University Promotions Committee when considering the remuneration of other staff on individual salaries. Terms of reference and membership were reviewed during 2018/19 to ensure compliance with the CUC Remuneration Code, originally published in June 2018 and revised in November 2021 and further revised in 2022 as part of the work implementing the Halpin Review. The Vice-Chancellor is not a member of SORC but attends in respect of the discussions related to the other members of the Executive Team. The Deputy Chair of Council chairs SORC and the Chair of Council is a member. SORC usually meets twice a year with one of the meetings focussed on the review of remuneration and the other focussed on policy matters.

Corporate governance statement (continued)

The Executive Team, the senior officer management body, receives reports setting out key performance indicators and associated risks and controls. The Vice-Chancellor, as Chair of the Executive Team and as the Responsible Officer under the Terms of the Memorandum of Assurance and Accountability between OfS and Institutions, receives regular reports from the internal auditors and assurances from Audit Committee (via Council) on internal financial controls and Value for Money, which include recommendations for improvement. Council's agenda includes a regular item for consideration of risk and control.

Statement on Internal Control

Council is responsible for the University's system of internal control and for reviewing effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process for identifying, evaluating and managing the University's significant risks has been further developed during 2022 and now includes a statement of risk appetite. This is regularly reviewed by Council and adapted in the light of experience. The processes operated throughout the year and up to and including the date of approval and signature of the audited financial statements.

Audit Committee reviews the process for identifying and managing risk and undertakes an annual programme of activity, designed to provide assurance to Council on the effectiveness of key controls. As part of the review of the effectiveness of the system of internal controls, plans are put in place to address any weaknesses identified and ensure continuous improvement of the system of internal controls as necessary. The internal and external auditors assist Audit Committee in its work.

During the year there were three high risk findings from the internal audit reports. These related to the IT Access Management Review audit and cover the areas of documentation and change control for Standard Operating Procedures (SOPs), monitoring and review of user logs and management of access controls to core systems (new access and leaver deletions). We acknowledge these findings and key colleagues within the IT and Computing Services team and the Finance team are developing action plans to address them where the underlying systems allow. We do not believe there was any inappropriate access to the systems as a result of the issues raised.

Principal risks, uncertainties and risk management approach

As mentioned above, the University has in place a risk register, which is regularly updated and reviewed by the Executive Team, Audit Committee and Council. This is supported by a statement of risk appetite that is periodically reviewed. In addition, a "Three Lines of Defence" approach is also under consideration building on the HM Treasury model and is anticipated to be further developed during the 2022/23 financial year as we continue to build on and improve our approach to risk management across the institution. The risk register identifies the key risks, their potential impact on the operation of the University, the likelihood of those risks occurring, and the mitigating actions being taken. The internal audit programme is prepared with reference to the University risk register. Outlined below are the key risk groups' mitigating actions.

Business Continuity

For the past few years, we have held Covid-19 as the most significant risk. Given the latest developments in response to the pandemic this specific risk has been removed from the high-level risk register and been replaced with the more generic risk surrounding business continuity. The pandemic tested business continuity to its limits but the University, in the main, successfully navigated the challenges presented. However, there are ongoing legacy issues linked to the pandemic not least in the area of student recruitment. On a more positive note, the pandemic enabled us to successfully identify remote working solutions, and this has been of significant benefit in dealing with the requirement to vacate Building 3 (Arts 1 & 2) to enable the first phase of the Campus Development Programme to commence.

In addressing the business continuity challenge we have required all departments of the University to update their business continuity plans, we are recruiting a dedicated risk and business continuity post in Safety Services, and we will be developing exercises to test the plans.

Student recruitment, Teaching Excellence Framework and performance measures

The University has been successful in recent years in recruiting additional student numbers, specifically Home/EU undergraduates. However, both for the current (2022/23) and previous academic year we have experienced a shortfall in both home and international numbers. The pandemic has continued to impact the recruitment of new international students combined with a change in the country mix; for example, a reduction in the Chinese market and an increase in the Indian and Nigerian market. We saw significant growth in the postgraduate taught student market from India. Home numbers were impacted by changes in the subject mix and continued growth in other institutions. The admissions teams and the wider staff of the University responded exceptionally well to secure our position which changed radically over the space of a few days in August 2022. The Office for Students are currently undertaking the relevant activity to renew the TEF award process, and the University has responded to consultations in respect of the new approach. There will be three ratings (currently there is a single institutional rating) supported by a range of data points for each institution.

Corporate governance statement (continued)

Submissions are required in January 2023 and the published results are anticipated in September 2023. There will be an opportunity for students to submit to the TEF and we are encouraging the UEA Students Union to make a submission.

The return to “in-person” open days and applicant visit days has been a welcome opportunity to share with potential students one of our best assets – the campus. We are working on a Portfolio Review and Strategic Enrolment Management Plan (as part of the SRP) to ensure that the courses and programmes we offer match the demands of potential students.

Staff experience

The University’s ability to recruit high quality staff is key to future growth and so the University places a significant emphasis on their recruitment, retention and performance. However, in common with many other employers, the demand for staff is growing and this, together with the wider acceptance of flexible working, is having an impact on our ability to attract and retain people. Industrial action in respect of pay, pensions and other employment matters is expected in the coming months following a recent ballot by UCU (who represent academic staff and senior administrative staff).

Financial risk

As we emerge into the post-pandemic era it is critical that we strengthen our financial position and return to generating surpluses over the medium term. The financial model for the University is being reviewed as part of a ten-theme Strategic Review Plan and this will include a review of budgeting and strategic planning, together with a range of other projects linked to our portfolio of courses, streamlining bureaucracy and improving efficiency and effectiveness. The continuation of the freeze on home undergraduate tuition fees erodes the value of these fees to the institution placing additional pressure on the operating model. As part of our response to this risk we have joined other universities in the “Uniforum” programme and early results are due to be reported in 2023.

Built environment

A significant proportion of the University estates was built in the 1960’s and 1970’s and requires major investment over the next fifteen to twenty years. It is this requirement that has driven the long-term financing review and detailed plans are in place to facilitate the required investment. It is anticipated that upon completion of the investment there will be marked benefits to both staff and students using these facilities as well as to the efficiency of operating the buildings.

A well-developed plan is in place to secure the long-term future of the Lasdun Wall. Phase 0 successfully completed in July 2022, has seen a significant proportion of the University’s staff move working location and work more flexibly to enable Building 3 (Arts 1 and 2) to be closed ahead of significant works. The University received planning permission (subject to conditions) for Phase 1 to strip Building 3 back to its frame and to extend it. This will then be re-built to provide purpose-built modern Science research facilities, together with general-purpose teaching space. Completion of Phase 1 will significantly reduce the University’s risk in respect of facility failure. Alongside this highly visible work, the wider Campus Development Programme (CDP) continues. In conjunction with Phases 0 & 1 mentioned above, the CDP is also ensuring that the full extent of required lifecycle maintenance is known and planned appropriately both in terms of sequence and cost. As part of this programme, and our commitment to carbon reduction, it is likely that some buildings will close in the medium-term where the costs of maintenance are not economically justifiable. In conjunction with this risk, we are reviewing business continuity plans in case there is an event that leads to closure of a building.

Data and digital environment

Alongside the CDP, the University has commenced a programme of Digital Transformation to ensure that our data and digital environment remains fit for the future. During the year we have achieved Cyber Essentials accreditation for some of our key services and have made good progress in addressing the required renewal of our technical infrastructure. In common with other institutions, we remain vigilant to the risk of a cyber-attack and continue to strengthen our cyber defences including updated processes and staff training to reduce the likelihood and impact of such an attack. The Digital Transformation programme is split into a number of themes with Data Strategy as a key theme and data identified as a principal asset of the University. During 2022/23 a Data Strategy will be developed and implemented.

Sustainability

The University declared a “Climate and Bio-Diversity Emergency” during 2018-19 and sustainability is very high on our agenda and that of many of our stakeholders. Whilst there was a pause in these plans during the pandemic response, we appointed a Provost and Deputy Vice-Chancellor in September 2021 and a new Director of Estates and Facilities in January 2022 who are working closely together to reinvigorate our response. This will include decarbonisation of our energy supplies (currently primarily gas based) and seeking alternative options for power and heat generation. The CDP is critical to reducing our carbon footprint, as is better utilisation of space overall and decommissioning some of our least efficient buildings.

Corporate governance statement (continued)

Impact of external influences

Recent events have reinforced the inter-related nature of the world and the impact on the local situation that can arise. Examples include the pandemic, war in Ukraine, Brexit, inflation, political instability, labour movements, etc. The University is not immune from these risk factors and is experiencing challenges because of such events. To support our horizon scanning we have recently engaged a Head of External Affairs who is successfully engaging in Westminster and beyond, and we take part in a range of sector wide networks to provide support and guidance. The University community is also impacted when incidents happen in the home locations of our international students, and we stand ready to support these students as and when required. Our current focus is on managing the cost-of-living challenges both for the institution and for our staff and students.

Fundraising

UEA fundraising activities are conducted by UEA employed staff. No direct fundraising activity is outsourced to external agencies, although some services in support of fundraising are contracted, such as software provision and data cleansing. The University's Development Office is responsible for conducting its fundraising activities, led by the Director of Development who reports to the Chief Resource Officer (CRO) (operations) and the Vice-Chancellor (strategy). The University has established a volunteer board under the banner of the Difference Campaign, and this Campaign Advisory Board provides a reference point for strategy development and to assist with introductions. Advisory Board members are not remunerated for their service. All UEA fundraisers are salaried members of staff, and there is no commission element within their pay.

A formal Due Diligence policy has been adopted by the University (revised 2020) to govern the receipting of gifts to ensure that appropriate scrutiny is given to any potential gift before it is accepted. This policy escalates acceptance criteria from the decision of the Director of Development (to £100k), to the CRO and Vice-Chancellor jointly (to £1m), the Executive Team (to £5m) and to UEA Council (over £5m).

The University is a member of CASE (the Council for Advancement and Support of Education), a professional association serving educational institutions and the advancement professionals who work on their behalf in alumni relations, communications, development, marketing and allied areas. CASE regularly provide training and conferences on best practice in higher education fundraising which UEA staff attend. Similarly, CASE provide guidance on best practice approaches which the University has adopted including the CASE Donor Bill of Rights and the CASE Principles of Practice for Fundraising Professionals in Higher Education.

The Development Office regularly employs a team of approximately 25 current students, working on a part-time basis for a number of weeks each year to carry out a telephone fundraising campaign ('Student Call Campaign'). The following steps are taken to ensure the telephone campaign is conducted appropriately:

- Full training is provided on fundraising best practice for student callers, including specific training on how to identify potentially vulnerable people, how to accommodate potentially vulnerable people and how to report any concerns they may have;
- Each calling session is overseen by a trained supervisor who is responsible for ensuring all student callers follow best practice and for reporting any concerns to the Regular Giving Officer;
- Student callers are required to make notes about each of their calls including their approach, the outcome and any concerns or issues that require attention. All of these call notes, including the number and frequency of calls made, are reviewed by the Regular Giving Officer.

Any request to cease either all contact or a specific form of contact is actioned immediately. The University is committed to being clear and honest in all fundraising communications and conversations, to allow individuals to make informed decisions about whether and when they choose to donate. The University seeks to comply with all relevant legislation and guidance issued by the Fundraising Regulator and the Information Commissioner's Office. The University has chosen to pay the Fundraising Regulator's levy.

The Sainsbury Centre for Visual Arts (Sainsbury Centre), a discrete cost centre of the University, has its own fundraising function, led by the Head of Development (SCVA), responsible to the Director of the SCVA, who is responsible for all aspects of fundraising at SCVA, and who in turn reports to the Pro Vice-Chancellor (Arts and Humanities). The SCVA has a voluntary Board, led by an unpaid Chairman, which provides strategic direction for SCVA and which can influence fundraising priorities, programmes and projects.

Statement of disclosure of information to auditors

The members of Council confirm, so far as they are each aware, that there is no relevant audit information of which the University's auditors are unaware. They also confirm they have taken all the steps they ought to have taken as members of Council in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Corporate governance statement (continued)

Availability of financial statements on the website

The Annual Financial Statements are available on the University's website. The maintenance and integrity of the University's website is the responsibility of Council. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual financial statements may differ from legislation in other jurisdictions.

Sally Howes

Signed on behalf of Council on

Public benefit statement

The University of East Anglia (the “University”) is an exempt charity under the Charities Act 2011, (the Act) and as such is regulated by the Office for Students on behalf of the Charity Commission for England and Wales. The members of the Council, who are trustees of the charity, are disclosed on page one.

Our Foundation document (the Royal Charter) sets out our charitable purpose as “for the public benefit, the advancement of education and research”. In setting the University’s objectives and managing its activities, Council has had due regard to the Charity Commission’s guidance on public benefit. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. Of the 12 specific categories of charitable purposes set out in the Act, the University makes a significant contribution in the following areas:

- the prevention or relief of poverty;
- the advancement of education;
- the advancement of health or the saving of lives;
- the advancement of citizenship or community development;
- the advancement of the arts, culture, heritage or science;
- the advancement of amateur sport;
- the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity;
- the advancement of environmental protection or improvement.

During 2019/20 we developed and launched our UEA Values: Collaboration, Empowerment, Respect and Ambition. These were shaped by staff and represent a core set of standards for how we behave as an employer, drive excellence in teaching, learning and research and collaborate as an anchor institution in our local community.

Examples of the charitable nature of the University’s activities are set out below:

- The University responded rapidly to the Covid-19 pandemic supporting a wide range of community activity including in the early days production of hand sanitiser and more recently continuing to work with the NHS and other bodies to provide support wherever this is required. Many staff and students also volunteered their time to support the pandemic response and the University’s premises and site have been used to support testing activity and delivery of vaccinations.
- The Tyndall Centre for Climate Change Research and the Climatic Research Unit engage in research on the effects of climate change. Colleagues from the Centre and other parts of the University were heavily involved in Cop26 held in Glasgow in early November;
- We were a founder sponsor of “Sync the City” an event that brings together budding entrepreneurs with experienced business mentors and technology experts. Sync the City has been described as “a bit like an episode of The Apprentice, followed by an episode of Dragons Den, all condensed into 54 hours”;
- The University has long established programmes, together with the Students’ Union that facilitate volunteering opportunities for our students. Students volunteer in a wide variety of settings across the City, Region and Country;
- As part of our commitment to equality, diversity and inclusion, the University is working towards achievement of the Race Equality Charter and routinely works with Stonewall and participates in their employer index. The University is also an accredited Living Wage Employer;
- We have worked on our landscape to achieve the “Green Flag Award” for improving biodiversity and making the environment available to students, staff and the general public;
- The School of International Development undertakes research which contributes to the relief of poverty and hardship in developing countries;
- The Centre for Competition Policy runs research programmes that explore competition policy from the perspective of economics, law, business and political science;
- The School of Law operates a Law Clinic as a joint venture between students, staff, members of the local legal profession and external charities such as Norfolk Community Law Service and Citizens Advice. This provides free legal advice and representation to the Norwich community boosting our students’ future employability whilst meeting significant local needs;
- The Sainsbury Centre for Visual Arts provides open access to world art including activities for school children;
- There is an active programme of research activity within the Faculty of Science and the Faculty of Medicine and Health Sciences, linked closely with the Norfolk & Norwich University Hospital NHS Foundation Trust to advance understanding and effectiveness of medicine, and translate research into practice. We are also active supporters of the Norwich Science Festival;
- The Quadram Institute (a collaboration between Quadram Institute Biosciences, UEA, BBSRC and the Norfolk and Norwich University Hospital) links researchers and clinicians to advance understanding of the impact of food on health, so providing a scientific framework for enhancing healthy ageing;

Public benefit statement (continued)

- Sportspark provides a wide range of sports facilities to the University and local community and is also working with a wide variety of organisations to improve wellbeing by physical activity;
- The University is a member of the Norwich Opportunity Area partnership board which aims to raise aspiration for children in Norwich;
- The University has signed up to the Civic Universities Network reflecting the importance the University places on its long history of civic engagement across East Anglia as well as the current regional partnerships underway to meet the challenge of the national emergency.
- The University has established UEA Health and Social Care Partners with eleven partner NHS Trusts including acute, community and ambulance services, Norfolk County Council and the Norfolk and Waveney Clinical Commissioning Group, with the objective of conducting research that benefits the health and wellbeing of patients and NHS professionals;
- UEA is a University of Sanctuary, an accreditation given to universities that show an ongoing commitment to creating a welcoming culture of inclusivity and awareness. UEA is proud to welcome people seeking sanctuary (asylum seekers and refugees) into their community, recognising the wealth of experience and knowledge they bring.
- UEA is twinned with Vasyl Stefanyk Precarpathian National University in Ukraine to offer support to academics, students and university leaders during the conflict;
- Supporting the development of The Gloucester 1682 shipwreck project and the formation of the future Gloucester 1682 Charitable Trust, holding charitable donations made for the trust pending the new charity's formation, and leading the historical research as the core academic partner to the project.
- Collecting voluntary donations to support student hardship; or to provide scholarships and studentships and advertising these widely, typically targeting them to students from underprivileged backgrounds;
- the Enterprise Fund supports entrepreneurial students who otherwise would not have access to capital to launch new companies and enterprises.

The University also undertakes research and teaches students in all of these areas, as well as carrying out teaching and research across a wide range of academic subject areas. The University freely produces reports and publishes research findings in a range of different formats which are widely disseminated and accessible by the general public. Graduates of the University subsequently continue to work in government, charities and other non-governmental organisations, continuing to contribute to the broad charitable aims supported by the University. As a whole, the University therefore actively pursues its charitable objectives by means of a variety of direct and indirect routes.

The University's direct beneficiaries are the students, both undergraduate, postgraduate and apprentices, enrolled at the University and, ultimately, those who benefit from the research undertaken at the University.

In order to demonstrate that the aims and activities of the University are for the public benefit, these benefits must be to the public in general or to a sufficiently wide and appropriately defined section of the public. It is important that the opportunity to benefit is not unreasonably restricted given the nature of the University's aims and the resources it has available. One such potential restriction is the ability to pay any fees charged by the University. In common with other similar organisations, the University does recover from students a contribution to the cost of their courses, currently capped at the level set by government.

Demonstrating public benefit, however, extends far beyond dealing with the question of fees, and the University is particularly aware of the need to ensure that people from all backgrounds can participate in, and benefit from its activities. Not everyone has the same level of educational opportunity, support or information to enable them to secure university education and so the University has put in place a range of activities designed to widen participation to students who might not otherwise benefit. To that end the University is committed to encouraging young people from geographic areas least likely to progress to Higher Education and/or otherwise underrepresented or disadvantaged in Higher Education to access and succeed at UEA. UEA has made an institutional commitment to social diversity enriching learning for all. This means that we take a whole institutional approach to widening access and participation that spans all aspects of the student journey, including academic, personal, social and professional development; engaging with all staff and services to ensure equality of opportunity for all potential and current students. We have dedicated staff focussed on taking action to meet these important commitments. In addition, many scholarships are created from philanthropic donations raised by our Development Office, and these are targeted towards attracting talented students from areas of deprivation or from low household income backgrounds.

UEA employs 9 Higher Education Champions, who are based in schools, colleges and sixth forms throughout Norfolk as part of the Office for Students' (OfS) [Uni Connect Programme](#).

Uni Connect is delivered through 29 partnerships of universities, colleges and other local partners. The programme supports the OfS' strategic goal that students' access to higher education are not limited by their background, location or characteristics. So far over one million young people from underrepresented groups have engaged with the Uni Connect programme.

The east region's Uni Connect partnership is the Network for East Anglian Collaborative Outreach (NEACO). UEA is working in this region alongside Anglia Ruskin University, Norwich University of the Arts, the University of Cambridge and the University of

Public benefit statement (continued)

Suffolk and in close partnership with the region's Further Education colleges to deliver activities, advice and information on the benefits and realities of studying in Higher Education. The programme was set up in 2017 and will have received £340m by July 2023. £30m of national funding is secure for academic year 2022/23 with NEACO receiving just over £2m. The OfS has stated it is committed to funding Uni Connect until July 2025, but that funding will be confirmed year on year.

A new partnership between UEA and IntoUniversity, the UK's largest university-access charity, was announced in September 2021 and sees West Earlham Community Centre become the new venue for a learning centre for students aged 7-18. The centre is IntoUniversity's first centre in Norfolk and aims to build on existing partnerships developed between local schools and UEA's Outreach team. Local students access the centre for Academic Support after school Monday to Thursday during term time, and workshops with partner schools run during the daytime throughout the week. The centre's 'pop-up' facilities mean that West Earlham Community Centre will be available for use by the rest of the community during the remainder of the week. Due to the success of the centre since opening, UEA, in partnership with the University of Cambridge, has opened Norfolk's second learning centre in Great Yarmouth in October 2022.

UEA also has a large Outreach Team working with school and colleges across the region to support widening access to UEA through a range of activities including:

- Residential events – targeted at students from low participation neighbourhoods, less advantaged communities, low-income households and other under-represented groups;
- Mentoring scheme – a programme of one-to-one support for students from underrepresented groups, delivered over a period of two or four years by a team of learning mentors;
- A progressive programme of Outreach activities (both in school and on campus) – targeted at schools with a high proportion of students from underrepresented groups to raise knowledge, skills and attainment
- Work with influencers- Including parents & Carers and teachers' advisers to dispel myths and provide CPD opportunities.

Current students also participate in our widening participation activities, within the outreach programmes, as student ambassadors and as mentors and at open days for prospective students in order to provide the maximum benefit to prospective students.

Our Inclusive Education Policy is designed to remove systemic barriers to equality of HE experience. The policy establishes a proactive, whole-institution approach, embedding inclusive practice as part of a mainstream provision (rather than compensatory or additional) to maximise the opportunity for success for all, through four interrelated elements:

- Inclusive Curriculum – the content of what is taught and learning materials
- Inclusive Assessment – the way student attainment is measured and qualified
- Inclusive Pedagogy – the way the content of the curriculum is taught
- Inclusive Environment – the non-classroom experience

The University also provides practical support and guidance to existing and prospective students with disabilities, including dyslexia, to ensure that they can benefit from study at the University. Additional support is also available in respect of financial worries, particular learning needs, careers advice and counselling in order that students without other forms of support and guidance are able to get maximum benefit from their time at university.

Independent Auditor's Report to Council of the University of East Anglia

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of the University of East Anglia ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows 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; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

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

Going concern

The Council has prepared the financial statements on the going concern basis as 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:

Independent Auditor's Report to Council of the University of East Anglia (continued)

- Enquiring of 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, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships or transactions.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we have only identified a fraud risk in relation to research grant income due to the nature and complexity of accounting for these transactions. However, for tuition fees and other income we have rebutted this risk due to the low volume of tuition which spans the year end cut off period and the size and nature of other income streams.

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 to research grant income or cash where the other side was to an unusual account.
- For a sample of income recognised in the period 1 July 2022 to 31 August 2022, we have assessed whether the income had been recognised in the appropriate accounting period by confirming the date of delivery of the relevant good or service;
- Reperformance of a sample of year end deferred income adjustments, to assess the accuracy of the adjustments recognised; and
- 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 from inspection of the Group's regulatory and legal correspondence, 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 (including related companies legislation), taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report to Council of the University of East Anglia (continued)

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 areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and certain aspects of company legislation recognising the financial nature of the Group's activities. 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, the Public Benefit Statement, the Corporate Governance Statement and Statement of Internal Control. 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 9, 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.

Independent Auditor's Report to Council of the University of East Anglia (continued)

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;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 8 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 6 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 in accordance with the Articles, Charters, Statutes or Ordinances of the University. Our audit work has been undertaken so that we might state to the Court of Governors 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 Court of Governors for our audit work, for this report, or for the opinions we have formed.

Emma Larcombe
for and on behalf of KPMG LLP, Statutory Auditor
Botanic House,
100 Hills Road,
Cambridge,
CB2 1AR

[Date]

Consolidated and University Statement of Comprehensive Income and Expenditure for the year ended 31 July 2022

	Note	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Income					
Tuition fees and education contracts	1	167,634	167,634	163,149	163,149
Funding body grants	2	41,145	41,145	41,235	41,235
Research grants and contracts	3	53,045	30,228	58,832	35,177
Other income	4	55,448	52,537	51,951	48,032
Investment income	5	448	301	399	185
Donations and endowments	6	3,708	3,638	4,454	4,370
Total income		321,428	295,483	320,020	292,148
Expenditure					
Staff costs - excluding movement on USS provision	7	191,254	177,312	185,989	173,546
Staff costs - movement on USS provision ^b	7	60,224	60,224	10	10
Other operating expenses		107,305	97,208	95,654	83,893
Depreciation and amortisation	12/13	31,506	29,942	28,977	27,641
Interest payable and other finance costs	8	5,293	5,293	5,293	5,293
Total expenditure	9	395,582	369,979	315,923	290,383
(Expense)/surplus before other gains/losses and share of operating surplus/deficit of joint ventures		(74,154)	(74,496)	4,097	1,765
Gain/(loss) on investments		53	(421)	543	498
Share of operating loss in joint ventures	16	-	-	(38)	-
(Expense)/surplus before taxation		(74,101)	(74,917)	4,602	2,263
Taxation	11	(11)	-	-	-
(Expense)/surplus for the year^a		(74,112)	(74,917)	4,602	2,263
Actuarial gain/(loss) in respect of pension schemes	21	24,134	24,134	8,992	8,992
Total comprehensive (expense)/surplus for the year		(49,978)	(50,783)	13,594	11,255
Represented by:					
Endowment comprehensive income for the year		284	284	2,442	2,442
Restricted comprehensive income for the year		2,498	452	228	228
Unrestricted comprehensive (expense)/surplus for the year		(52,760)	(51,519)	10,924	8,585
		(49,978)	(50,783)	13,594	11,255
(Expense)/surplus for the year attributable to:					
Non controlling interest		(8)	-	(50)	-
University		(74,104)	(74,917)	4,652	2,263
Total comprehensive (expense)/surplus for the year attributable to:					
Non controlling interest		(8)	-	(50)	-
University		(49,970)	(50,783)	13,644	11,255

All items of income and expenditure relate to continuing activities.

Isolated effect of USS Pension Provision Movement					
^a (Expense)/surplus for the year		(74,112)	(74,917)	4,602	2,263
^b Movement on the USS provision		60,224	60,224	10	10
(Expense)/surplus for the year with USS provision movement removed		(13,888)	(14,693)	4,612	2,273

Consolidated and University Statements of Changes in Reserves for the year ended 31 July 2022

	Income and expenditure reserves			Total excluding Non controlling interest	Non controlling interest	Total reserves
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000	£000
Consolidated						
Balance at 1 August 2021	10,486	20,400	330,670	361,556	122	361,678
(Expense)/surplus from the income and expenditure statement	2,442	1,169	1,041	4,652	(50)	4,602
Other comprehensive expense (note 21)	-	-	8,992	8,992	-	8,992
Release of restricted funds spent in the year	-	(941)	941	-	-	-
Total comprehensive surplus/(expense) for the year	2,442	228	10,974	13,644	(50)	13,594
Balance at 1 August 2021 and 31 July 2021	12,928	20,628	341,644	375,200	72	375,272
(Expense)/surplus from the income and expenditure statement	284	3,258	(77,646)	(74,104)	(8)	(74,112)
Other comprehensive expense (note 21)	-	-	24,134	24,134	-	24,134
Release of restricted funds spent in the year	-	(760)	760	-	-	-
Total comprehensive surplus for the year	284	2,498	(52,752)	(49,970)	(8)	(49,978)
Balance at 31 July 2022	13,212	23,126	288,892	325,230	64	325,294
University						
Balance at 1 August 2021	10,486	16,525	283,766	310,777	-	310,777
(Expense)/surplus from the income and expenditure statement	2,442	1,169	(1,348)	2,263	-	2,263
Other comprehensive expense (note 21)	-	-	8,992	8,992	-	8,992
Release of restricted funds spent in the year	-	(941)	941	-	-	-
Total comprehensive surplus/(expense) for the year	2,442	228	8,585	11,255	-	11,255
Balance at 1 August 2021 and 31 July 2021	12,928	16,753	292,351	322,032	-	322,032
(Expense)/surplus from the income and expenditure statement	284	1,212	(76,413)	(74,917)	-	(74,917)
Other comprehensive expense (note 21)	-	-	24,134	24,134	-	24,134
Release of restricted funds spent in the year	-	(760)	760	-	-	-
Total comprehensive surplus for the year	284	452	(51,519)	(50,783)	-	(50,783)
Balance at 31 July 2022	13,212	17,205	240,832	271,249	-	271,249

Consolidated and University Statement of Financial Position as at 31 July 2022

	Note	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Non -current assets					
Intangible assets	12	51	-	-	-
Fixed assets	13	544,236	523,936	548,760	528,182
Heritage assets	13/14	15,599	15,599	15,417	15,417
Investments	15	18,200	19,605	17,671	19,491
Investment in joint venture	16	-	-	-	-
		578,086	559,140	581,848	563,090
Current assets					
Stock		1,083	1,043	536	525
Trade and other receivables	17	38,987	33,536	32,777	30,319
Investments	18	24,000	12,000	11,500	-
Cash and cash equivalents	24	51,181	31,579	67,523	47,742
		115,251	78,158	112,336	78,586
Less - Creditors: amounts falling due within one year	19	(119,033)	(117,130)	(105,264)	(106,087)
Net current (liabilities)/assets		(3,782)	(38,972)	7,072	(27,501)
Total assets less current liabilities		574,304	520,168	588,920	535,589
Creditors: amounts falling due after more than one year	20	(139,221)	(139,130)	(141,305)	(141,214)
Provisions					
Pension provisions	21	(112,240)	(112,240)	(72,343)	(72,343)
Pension surplus	21	2,451	2,451	-	-
Total net assets		325,294	271,249	375,272	322,032
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	13,212	13,212	12,928	12,928
Income and expenditure reserve - restricted reserve	23	23,126	17,205	20,628	16,753
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		288,892	240,832	341,644	292,351
		325,230	271,249	375,200	322,032
Non-controlling interest		64	-	72	-
Total Reserves		325,294	271,249	375,272	322,032

The Financial Statements on pages 22 to 56 were approved by the Council on 28 November 2022 and were signed on its behalf on that date by:

David Richardson
Vice-Chancellor

Sally Howes
Chair of Council

Jason Brown
Director of Finance

Consolidated Cash Flow Statement for the year ended 31 July 2022

	Note	2022 £000	2021 £000
Cash flow from operating activities			
(Expense)/surplus for the year		(74,101)	4,602
Adjustment for non-cash items			
Depreciation and amortisation	12/13	31,506	28,977
(Release)/increase of provision on fixed asset investments	15	(41)	230
(Gain) on investments	15	(53)	(543)
(Increase) in stocks		(547)	(56)
(Increase)/decrease in debtors	17	(6,209)	2,817
Increase in creditors	19	3,663	4,109
Increase in pension provision	21	61,580	1,171
Utilisation of other provisions	21	-	(27)
Release of lease variation payment		(931)	-
Share of operating loss in joint venture	16	-	38
Adjustment for investing or financing activities			
Investment income	5	(448)	(399)
Interest payable	8	4,517	4,564
Endowment income	6	(2,310)	(3,127)
Donation of artwork		(181)	(34)
Loss on the disposal of fixed assets		114	-
Capital grant income	2/3/4	(2,814)	(13,034)
Cash inflow from operating activities		13,745	29,288
Taxation		(11)	-
Net cash inflow from operating activities		13,734	29,288
Cash flows from investing activities			
Dividend received from joint venture		-	0
Capital grant receipts		2,682	12,615
Investment income		448	399
Payments to acquire fixed assets		(26,859)	(40,044)
(New) non-current asset investments		(435)	(2,509)
(New) deposits		(12,500)	-
		(36,664)	(29,539)
Cash flows from financing activities			
Interest paid		(4,516)	(4,563)
Interest element of finance lease		(1)	(1)
Endowment cash received		2,310	3,127
Drawdown from RCF loan facility		-	15,000
Repayments of amounts borrowed		(17,014)	(2,033)
Lease variation payment		25,825	-
Capital element of finance lease payments		(16)	(15)
		6,588	11,515
Increase in cash and cash equivalents in the year		(16,342)	11,264
Cash and cash equivalents at beginning of year		67,523	56,259
Cash and cash equivalents at end of year		51,181	67,523

Statement of Principal Accounting policies

1. General information

The University of East Anglia is registered with the Office for Students. The registered office is Norwich Research Park, Norwich NR4 7TJ.

2. Statement of compliance

The Consolidated and University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standards (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education Institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore the Group has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments).

Judgements made by management in the application of these accounting policies that have a significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed at the end of these policies.

3. Basis of preparation

The Group financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

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

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Going concern

The Group activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review. The Business Review 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 have prepared cash flow forecasts for a period of 13 months from the date of approval of these financial statements. After reviewing these forecasts, the Council is of the opinion that, taking account - the effects of Brexit, student attrition, inflationary pressures on pay, pensions and energy costs the Group 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).

Overall, the University fell short of entry targets for 2022/23 in a highly competitive market, giving rise to an overall adverse financial impact of £6.4m. In response to this shortfall, we have recast spending plans to align with lower numbers of students flowing through to achieve our planned deficit budget for 2022/23. Further impact on the University has been the impact of volatility in the energy markets leading to significant increases during 2021/22. Provisions have been built into the Universities long term financial plan for a period of 3 years. The University has fixed its energy through to Spring 2024 to provide certainty of costs. We continue to monitor the marketplace and undertake further fixes at more favourable rates. Further inflationary pressures are being managed through procurement contracts already in place. The University is exposed to interest rate inflation connected to its £100m revolving credit facility.

Statement of Principal Accounting Policies (continued)

Further stress testing has been undertaken to assess the impacts of inflationary pressures on pay and pensions, variable interest rates and loss of income through increased attrition and student residences. These forecasts indicate that covenants can be maintained along with positive cash balances over the going concern period without required mitigation.

Consequently, the Council is confident that the Group 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.

4. Exemptions under FRS102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS102) to not produce a cash flow statement for the University in its separate financial statements.

5. Basis of consolidation

The consolidated financial statements incorporate the University and all of its subsidiary undertakings and joint ventures for the year ended 31 July 2021. Intra-group revenue and profits between the University and its subsidiaries are eliminated fully on consolidation. Consistent accounting policies are applied across the group.

Business combinations with other public benefit entities which involve a whole entity or parts of an entity combining with another entity at nil or nominal consideration are accounted for in accordance with Section 34 of FRS 102. Accordingly:

- Any excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in income and expenditure. This gain represents the gift of value of one entity to another and is recognised as income.
- Any excess of the fair value of the liabilities assumed over the fair value of the assets received is recognised as a loss in income and expenditure. This loss represents net obligations assumed, for which the receiving entity has not received a financial reward and is recognised as an expense.

The University does not have direct control over the Union of UEA Students and therefore the financial statements of that body are not consolidated within these financial statements.

Joint ventures are accounted for using the equity method of accounting.

6. Recognition of income

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to 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 Consolidated 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 the period in which students are studying, or where relevant, when performance conditions have been met.

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

Funds that the University receives and disburses as a 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.

Statement of Principal Accounting Policies (continued)

Grant funding

Grant funding including Funding Council Block Grant, research grants from government sources and grants (including research grants) from non government sources are recognised as income when the Group 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.

Grants (including research grants) from non government sources are recognised in income when the Group 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 Group 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 Group is entitled to the funds.

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 Group.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Group 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 Group is entitled to the funds subject to any performance related conditions being met.

7. Accounting for retirement benefits

The two principal pension schemes for the Group's staff are the Universities Superannuation Scheme (USS) and the University of East Anglia Staff Superannuation Scheme (UEASSS). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries. The Group also contributes to the Research Councils Pension Scheme a multi-employer defined contributions pension scheme.

The USS is a multi-employer scheme for which it is not possible to identify the Group's share of the assets and liabilities due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the Group'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 Group.

The net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

Statement of Principal Accounting Policies (continued)

The Group should recognise a liability for its obligations under defined benefit plans 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 Group is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the University's policy for similarly held assets. This includes the use of appropriate valuation techniques. 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.

Further detail is provided on the specific pension schemes in note 27 to the accounts.

Multi-employer schemes

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the University has entered into an agreement with such a multi-employer scheme that determines how the University will contribute to a deficit recovery plan, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Group 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 plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

8. Employee 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 Group. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Finance Leases

Leases in which the Group 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.

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

Statement of Principal Accounting Policies (continued)

the Statement of Financial Position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

12. Intangible assets

Intangible assets are stated at cost less accumulated amortisation. They are amortised on a straight line basis over 3 years.

13. Fixed Assets

Fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and buildings

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 Group.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Buildings structure	80 years
Building fit-out/plant	25 – 35 years
Refurbishments	15 years

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

Equipment

Equipment, including computers and software, costing less than de minimis (£10,000) per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Equipment acquired for specific research projects	3 years
All other equipment	4 years

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

14. Heritage assets

Heritage assets held by the University represent art collections. Art collections donated to the University are stated at estimated valuation at the date of receipt (their "deemed cost") and purchased additions are capitalised at cost. These

assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

15. Investments

Non-current asset investments are held on the Statement of Financial Position at amortised cost less impairment.

Investments in subsidiaries are carried at cost less impairment in the University's financial statements.

Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

16. Stock

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

Statement of Principal Accounting Policies (continued)

17. 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.

18. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the Group 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 as a result of a past event; and
- (c) A reliable estimate can be made of the amount of the obligation.

A contingent liability arises from a past event that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Group. 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 Group 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 Group.

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

19. Accounting for jointly controlled entities

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

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

20. 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 are 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

taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

21. Financial Instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to

Statement of Principal Accounting Policies (continued)

the contractual provision 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.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

22. Agency Income

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.

23. 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 Group is restricted in the use of these funds.

24. Related party transactions

The Group discloses transactions with related parties which are not wholly owned subsidiaries. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of Council, separate disclosure is necessary to understand the effect of the transactions on the Consolidated Financial Statements.

Statement of Principal Accounting Policies (continued)

25. Accounting estimates and judgements

USS deficit recovery plan provision

FRS102 makes the distinction between a group 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 that provided by USS. 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 contribution payable that arises from the agreement (the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss in accordance with section 28 of FRS102. The members of Council are satisfied that the discounted fair value of the contractual contribution under the funding plan in existence at the date of approving the financial statements.

In addition, because the USS scheme is in deficit and a funding plan has been agreed, section 28 of FRS102 requires individual employers to recognise a liability for the contributions payable that arise from the agreement to fund the scheme (to the extent that they relate to the deficit) and the resulting expense in profit and loss. A deficit modeller was utilised to produce the provision estimate with a discount rate at 31 July 2021 of 0.87%.

The pension provision is calculated using information received from the actuarial valuations. Assumptions are made around discount rates, future salary increases and staff increases.

Property, Plant and Equipment

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful economic lives of the related assets.

Notes to the Financial Statements

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
1 Tuition fees and education contracts				
Full-time students	115,317	115,317	119,048	119,048
Full-time students charged overseas fees	37,775	37,775	30,421	30,421
Part-time fees	3,550	3,550	2,858	2,858
Short course fees	254	254	280	280
Other teaching contracts	7,424	7,424	7,057	7,057
Research training support grants	3,314	3,314	3,485	3,485
	167,634	167,634	163,149	163,149

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
2 Funding body grants				
Recurrent grant				
Office for Students ("OfS") - teaching	13,858	13,858	12,490	12,490
UK Research and Innovation ("UKRI") - research	19,447	19,447	18,892	18,892
Specific grants				
Higher Education Innovation Fund ("UKRI") - other	3,855	3,855	3,190	3,190
UK Research and Innovation ("UKRI") - special	1,077	1,077	655	655
Office for Students ("OfS") - special	748	748	1,483	1,483
Office for Students ("OfS") - capital grants	30	30	1,497	1,497
UK Research and Innovation ("UKRI") - capital grants	2,130	2,130	3,028	3,028
	41,145	41,145	41,235	41,235

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
3 Research grants and contracts				
Research councils	23,824	13,254	32,307	17,830
Research charities	10,945	4,395	11,063	5,027
Government (UK and overseas)	15,464	10,695	12,133	9,760
Industry and commerce	1,480	684	1,485	777
Other	1,332	1,200	1,844	1,783
	53,045	30,228	58,832	35,177

Note: The source of grant and fee income, included in Notes 1 to 3 is as follows:

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Grant income from the OfS	14,636	14,636	15,470	15,470
Grant income from other bodies	26,509	26,509	25,765	25,765
Fee income for research awards (exclusive of VAT)	3,904	3,904	3,981	3,981
Fee income from non-qualifying courses (exclusive of VAT)	3,568	3,568	3,765	3,765
Fee income for taught awards (exclusive of VAT)	160,162	160,162	155,403	155,403
	208,779	208,779	204,384	204,384

Notes to the Financial Statements (continued)

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
4 Other income				
Residences, catering and conferences	26,239	26,239	18,245	18,245
Other services rendered	7,385	3,459	6,196	2,721
Other capital grants	292	292	6,428	8,928
Other income	21,532	22,547	21,082	18,138
	<u>55,448</u>	<u>52,537</u>	<u>51,951</u>	<u>48,032</u>
	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
5 Investment income				
Investment income on endowments (Note 22)	186	186	148	148
Other investment income	262	115	251	37
	<u>448</u>	<u>301</u>	<u>399</u>	<u>185</u>
	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
6 Donations and endowments				
New endowments (Note 22)	2,310	2,310	3,127	3,127
Donations with restrictions (Note 23)	1,212	1,212	1,169	1,169
Unrestricted donations	186	116	158	74
	<u>3,708</u>	<u>3,638</u>	<u>4,454</u>	<u>4,370</u>
	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
7 Staff costs				
Wages and salaries	146,105	135,018	142,936	133,029
Social security costs	14,148	12,865	13,106	12,037
Apprenticeship levy	662	624	616	594
Movement on USS provision	60,224	60,224	10	10
Other pension costs (Note 26)	30,339	28,805	29,331	27,886
	<u>251,478</u>	<u>237,536</u>	<u>185,999</u>	<u>173,556</u>
Emoluments of the Vice-Chancellor:		2022 £000		2021 £000
Salary		283		249
Bonus		-		-
Benefits - accommodation related		-		9
Loans		-		-
Relocation costs		-		-
Salary and benefits		<u>283</u>		<u>258</u>
Pension contribution		60		53
		<u>343</u>		<u>311</u>

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Emoluments of the Vice-Chancellor (continued)

The Vice-Chancellor was in post full-time for the whole of the 2021-22 financial year. His remuneration and that of other members of the Executive Team and most Directors of Professional Services is considered annually by the Senior Officers' Remuneration Committee (SORC), chaired by the Deputy Chair of Council.

As part of the continued response to the Covid-19 pandemic it was agreed that there would be no annual review of salaries either by SORC or by the Professorial Review Committee. All colleagues whose remuneration is considered by either of these bodies received the national pay award but no other increase. SORC, endorsed by the Council, noted the exceptional impact of the pandemic on the workloads of the Executive Team and other key personnel. When considering the comparison with the prior year it should be noted that each member of the Executive Team had volunteered a 10% reduction in salary for the first six months of 2020-21 with the Vice-Chancellor volunteering 15%. This applied for the period 1 August 2020 to 31 January 2021.

The Vice-Chancellor is a member of the board of Anglia Innovation Partnership LLP which is a non-remunerated role. On 1 April 2022 the Vice-Chancellor was appointed to the Board of Advance HE. This role is non-remunerated.

The University acquired a property for use by the Vice-Chancellor in 1963. This property is subject to a restrictive covenant which requires the University to offer to return the property to the original vendor, or his heirs, at the original consideration in the event that the property ceases to be used as a residence for the Vice-Chancellor. At the start of the year the Vice-Chancellor ceased to use the property as his primary residence but the property remains available as a residence for him and his successors if required. The University is unable to use the property for any alternative purpose and the future of the property is currently under consideration in accordance with the terms of the original conveyance.

The Vice-Chancellor's basic salary is 12.7 times (2021: 9.6 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. Excluding student workers who could be paid through a third party the Vice-Chancellor's basic salary is 11.7 times (2021: 7.7 times) the median total remuneration for the remaining staff. For context, in respect of this and the subsequent note it is important to remember that the Vice-Chancellor voluntarily reduced his salary in 2020-21 by 15% for a period of six months.

The Vice-Chancellor's total remuneration is 12.8 times (2021: 9.9 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff. Excluding student workers who could be paid through a third party the Vice-Chancellor's total remuneration is 11.4 times (2021: 8.6 times) the median total remuneration for the remaining staff.

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Remuneration of other higher paid staff, excluding employer's pension contributions

	2022 Consolidated Number of staff	2022 University Number of staff	2021 Consolidated Number of staff	2021 University Number of staff
£100,000 - £104,999	8	7	11	10
£105,000 - £109,999	10	8	4	4
£110,000 - £114,999	4	4	10	8
£115,000 - £119,999	8	5	8	6
£120,000 - £124,999	4	4	5	4
£125,000 - £129,999	10	9	7	6
£130,000 - £134,999	2	-	-	-
£135,000 - £139,999	1	-	-	-
£140,000 - £144,999	5	4	7	5
£145,000 - £149,999	3	3	2	2
£150,000 - £154,999	4	3	1	1
£155,000 - £159,999	2	2	-	-
£160,000 - £164,999	1	1	-	-
£165,000 - £169,999	1	-	2	2
£170,000 - £174,999	3	1	-	-
£175,000 - £179,999	-	-	1	-
£195,000 - £199,999	-	-	2	-
£250,000 - £254,999	1	-	1	-
	67	51	61	48

Average staff numbers by category:

	2022 Consolidated Number of staff	2022 University Number of staff	2021 Consolidated Number of staff	2021 University Number of staff
Academic	1,231	1,231	1,193	1,193
Associate tutors	457	457	356	356
Research and analogous	515	315	535	330
Secretarial and clerical	888	878	873	865
Technical	233	193	207	169
Admin, senior library and computing	604	580	582	558
Others	484	473	515	506
	4,412	4,127	4,261	3,977

Key management personnel

Key management personnel are those ten individuals having authority and responsibility for planning, directing and controlling the activities of the University. Compensation includes salary and benefits and the prior year has been restated to include employers pension contributions. (In 2020/21 members of the Executive Team took a voluntary reduction in salary of 10% for six months which will impact the comparator).

	2022 £000	2021 £000
Key management personnel compensation	1,813	1,692

Severance payments

In March 2022 the University opened up a voluntary severance scheme as part of a planned efficiency review. During the year the Group paid compensation for loss of office of £1,229,000 (2021: £1,588,000) to 110 employees (2021: 112 employees).

Council Members

During the year the University paid £30,000 in remuneration to the Chair of Council (2021: £nil). Expenses paid to Independent Members of Council acting in that role during the year were £3,000 (2021: £1,000).

Notes to the Financial Statements (continued)

8 Interest payable and other finance costs	2022	2022	2021	2021
	Consolidated £000	University £000	Consolidated £000	University £000
Bank interest	4,516	4,516	4,563	4,563
Finance lease interest	1	1	1	1
Net interest charge on pension liability (Note 26)	776	776	729	729
	5,293	5,293	5,293	5,293

9 Analysis of total expenditure by activity	2022	2022	2021	2021
	Consolidated £000	University £000	Consolidated £000	University £000
Academic and related expenditure	145,382	146,330	139,169	140,119
Administration and central services	75,961	67,864	69,982	62,857
Premises	40,879	40,886	34,155	34,162
Residences, catering and conferences	24,249	24,249	20,753	20,753
Research grants and contracts	42,804	22,401	43,566	24,394
Other expenses *	66,307	68,249	8,298	8,098
	395,582	369,979	315,923	290,383

* Other expenses includes the movement on the USS pension provision (Note 26)

Other operating expenses include:

External auditors' remuneration in respect of audit services	146	131	129	117
External auditors' remuneration in respect of non-audit services	21	21	47	47
Operating lease rentals:				
Land and buildings	279	279	263	263
Other	86	86	155	155
Impairment of trade receivables	224	224	1,431	1,432

10 Access and Participation	2022	2021
	Consolidated and University £000	£000
Access Investment (i)	3,134	2,519
Financial Support (ii)	3,815	4,447
Disability (iii)	2,757	2,401
Research and Evaluation (iv)	769	826
	10,475	10,193

Staff costs from the above are already included in the Financial Statements (Note 7):

(i)	1,520	1,991
(ii)	64	93
(iii)	2,518	2,149
(iv)	563	580

UEA's Access and Participation Plan 2020/21 to 2024/25 outlines its commitments in terms of spend on widening access and participation activity.

<https://www.uea.ac.uk/about/university-information/widening-participation>

Access Investment - Calculation of this spend includes salaries, staff accommodation costs and project spend for UEA's access specific activity to support under represented student groups into Higher Education including the majority of costs relating to UEA's large Outreach team. UEA committed to a spend of £2,939,416 on impactful access activity in 2021/22 its APP 2020/21 to 2024/25. Spend has been in excess of these commitments in order to provide responsive support in local schools to aid attainment raising for KS3 and KS4.

Notes to the Financial Statements (continued)

10 Access and Participation (continued)

Financial Support - Calculation of this spend includes direct and administrative costs of UEA's bursary scheme and hardship funding; both for UG Home students. UEA committed to investment in Financial Support of £3,998,660 in 2021/22 so there is no significant variance between predicted and actual spend. A slight underspend reflects a slightly smaller new starter cohort for September 2021 due to recruitment issues.

Disability - Calculation of spend on disability combines spend on specific project/roles explicitly supporting disabled students and an estimate of embedded spend on student support within our School and Faculties and central student support divisions derived by applying a relevant proportion of students who are recorded as disabled via application or registration processes to salary and project spend around key student support including Advising. Note, spend on APP Success or Progression activity and salaries is not included unless specifically relating to support to disabled students; UEA's inclusive approach would also benefit this group but estimating relevant costs would be inaccurate. UEA was not required to provide a specific spend commitment on Disability in its APP 2019/20 but can confirm that this equates to spending considerably in excess of the Disability Allocation in the Core Teaching Grant and spend of significant additional APP countable funds to address Success and Progression gaps for disabled students. This also represents an increase in spend year-on-year.

Research and Evaluation - Calculation of this spend includes salary, staff accommodation, training and software costs and project costs to implement UEA's Access and Participation Evidence and Evaluation strategy. UEA committed to investment in APP Research and Evaluation of £968,533 in 2021/22; 21% underspend (equating to £198,971 cash spend) has occurred due to the ongoing impact of Covid 19 on planned qualitative research projects and delayed staff recruitment. In the year following Covid 19 we made a choice to deliver more responsive Outreach activity and keep evaluation light touch to remove burden on schools, pupils and UEA staff.

11 Taxation

The tax assessed for the year differs from the standard rate of corporation tax in the UK for the year of 19.0% (2021: 19.0%). The differences are explained below:

	2022 Consolidated £000	2021 Consolidated £000
(Deficit)/surplus before taxation	(74,101)	4,602
UK corporation tax at 19.0% (2021: 19.0%)	(14,079)	874
Effects of :		
Surpluses not subject to corporation tax	14,090	(874)
	<u>(11)</u>	<u>-</u>

12 Intangible assets

Website

	2022 Consolidated £000
Additions at cost	56
Amortisation charge for the year	(5)
	<u>51</u>

Notes to the Financial Statements (continued)

13 Fixed assets

	Freehold land and buildings	Assets in the course of construction (L&B)	Fixtures, Fittings and Equipment	Assets in the course of construction (FF&E)	Heritage assets	Total
	£000	£000	£000	£000	£000	£000
Consolidated						
Cost or valuation		Restated		Restated		
At 1 August 2021	635,285	20,438	80,328	4,388	15,417	755,856
Additions at cost	3,121	11,483	11,878	609	182	27,273
Transfers	12,857	(12,857)	3,535	(3,535)	-	-
Disposals	-	-	(3,587)	(114)	-	(3,701)
At 31 July 2022	651,263	19,064	92,154	1,348	15,599	779,428
Consisting of:						
Valuation as at 31 July 2014	416,821	-	-	-	-	416,821
Cost	234,442	19,064	92,154	1,348	15,599	362,607
At 31 July 2022	651,263	19,064	92,154	1,348	15,599	779,428
Accumulated depreciation						
At 1 August 2021	131,427	-	60,252	-	-	191,679
Charge for the year	19,637	-	11,864	-	-	31,501
Eliminated on disposals	-	-	(3,587)	-	-	(3,587)
At 31 July 2022	151,064	-	68,529	-	-	219,593
Net book value						
At 31 July 2022	500,199	19,064	23,625	1,348	15,599	559,835
At 31 July 2021	503,858	20,438	20,076	4,388	15,417	564,177

	Freehold land and buildings	Assets in the course of construction (L&B)	Fixtures, Fittings and Equipment	Assets in the course of construction (FF&E)	Heritage assets	Total
	£000	£000	£000	£000	£000	£000
University						
Cost or valuation						
At 1 August 2021	620,251	20,181	60,400	2,650	15,417	718,899
Additions at cost	3,057	11,483	10,862	294	182	25,878
Transfers	12,600	(12,600)	2,219	(2,219)	-	-
Disposals	-	-	(3,515)	-	-	(3,515)
At 31 July 2022	635,908	19,064	69,966	725	15,599	741,262
Consisting of:						
Valuation as at 31 July 2014	416,821	-	-	-	-	416,821
Cost	219,087	19,064	69,966	725	15,599	324,441
At 31 July 2022	635,908	19,064	69,966	725	15,599	741,262
Accumulated depreciation						
At 1 August 2021	130,298	-	45,002	-	-	175,300
Charge for the year	19,396	-	10,546	-	-	29,942
Eliminated on disposals	-	-	(3,515)	-	-	(3,515)
At 31 July 2022	149,694	-	52,033	-	-	201,727
Net book value						
At 31 July 2022	486,214	19,064	17,933	725	15,599	539,535
At 31 July 2021	489,953	20,181	15,398	2,650	15,417	543,599

Notes to the Financial Statements (continued)

13 Fixed assets (continued)

At 31 July 2022, freehold land and buildings included £53.1m (2021 - £53.1m) in respect of freehold land which is not depreciated.

A full valuation of the University's properties was carried out on 31 July 2014 by Gerald Eve LLP, but the value of those assets due for extensive refurbishment was not adopted.

University fixtures, fittings and equipment include assets held under finance leases as follows:

	Consolidated and University	
	2022	2021
	£000	£000
Cost	1,886	1,886
Accumulated depreciation	(1,765)	(1,696)
Charge for the year	(4)	(69)
Net book value	117	121

Consolidated and University

The acquisition and construction of buildings with cost totalling £114,012,000 were funded, in whole or in part, by grants totalling £40,669,000 from HEFCE and its predecessor Councils. Under the terms of the Financial Memorandum between HEFCE and the University, should any of these buildings be sold, the University may have to pay to HEFCE a proportion of the proceeds equal to the proportion of the cost which was grant-funded. It is not the intention of the University to dispose of any such buildings.

Freehold land & buildings includes the SportsPark, a building funded in part by grants of £14,559,000 from the Sports Lottery Fund. As a condition of grant the operation of the building is regulated by a Community Use Agreement expiring in August 2021.

14 Heritage assets

Heritage assets represent art collections held by the University, which are maintained and displayed in the Sainsbury Centre for the Visual Arts (SCVA), situated on the University campus. The collection includes over 3,700 objects, including works dating from prehistory to the late twentieth century from across the globe, encompassing a significant number of works acknowledged as seminal examples of European Modern Art such as Henry Moore, Jean Arp, Eduardo Chillida, Alberto Giacometti, Amedeo Modigliano, Edgar Degas and Francis Bacon. The collection is used as a research resource for a wide range of scholarly users, a facility for interaction between the University and the public, and an active contributor to the region's cultural development. Admission to the permanent collections is free. Further information on the collection and the SCVA more widely is available via <http://www.scva.ac.uk>.

As stated in the Statement of Accounting Policies, the University's art collection is stated at cost or deemed cost (fair value on date of donation). The five year summary for heritage asset donations/additions is:

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Acquisitions by donation	181	34	1,885	29	20

15 Non-Current Investments

	Subsidiary investment in spinouts	Other fixed asset investments	Total
Consolidated	£000	£000	£000
At 1 August 2021	1,396	16,275	17,671
Additions	-	736	736
Disposals	(100)	(201)	(301)
Release of provision on Disposal	41	-	41
Increase in value		53	53
At 31 July 2022	1,337	16,863	18,200

Notes to the Financial Statements (continued)

15 Non-Current Investments (continued)

	Subsidiary companies	Subsidiary investment in spinouts	Other fixed asset investments	Total
University	£000	£000	£000	£000
At 1 August 2021	4,930	1,274	13,287	19,491
Additions	-	-	711	711
Disposals/dissolved	-	-	(176)	(176)
Additional provisions made	-	-	-	-
Decrease in value	-	-	(421)	(421)
At 31 July 2022	4,930	1,274	13,401	19,605

Other investments comprise :

	Consolidated £000	University £000
CVCP Properties PLC	35	35
Plant Biosciences Limited	1,930	-
Norfolk Plant Sciences Limited	42	-
Norwich Research Park LLP	833	833
Investments held for the Low Carbon Innovation Fund	5,907	5,907
Investments held for Endowment Funds	6,626	6,626
Barclays Wealth Fund	1,453	-
Programme related investments	37	-
	16,863	13,401

The following companies were 100% owned or controlled subsidiary undertakings at 31 July 2022:

Name	Principal activity	Registered Office
UEA Student Residences Limited	Not trading	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA Enterprises Limited	Developing intellectual property	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA NRP Investments Limited	Holding company	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA INTO Holdings Limited	Holding company	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA Consulting Limited	Consultancy	The Registry, University of East Anglia, Norwich. NR4 7TJ
Carbon Connections UK Limited	Investments	The Registry, University of East Anglia, Norwich. NR4 7TJ
Low Carbon Innovation Fund Limited	Nominee shareholdings	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA Company 1 Limited (formally Incrops IP Limited)	Not trading	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA Pension Trustee Limited	Not trading	The Registry, University of East Anglia, Norwich. NR4 7TJ
UEA Publishing Project Limited	Publishing Company	Office MUS 1.02, University of East Anglia, Interdisciplinary Institute for the Humanities, Norwich, NR4 7TJ
Quadrum Institute Biosciences	Research University	Quadrum Institute, Norwich Research Park NR4 7UA
IFR Enterprises Limited	Contract Research	Quadrum Institute, Norwich Research Park NR4 7UA
QIB Extra Limited	Contract Research	Quadrum Institute, Norwich Research Park NR4 7UA
IFR NRP Capital Limited	Not trading	Quadrum Institute, Norwich Research Park NR4 7UA
The Sainsbury Laboratory	Research University	John Innes Centre, Colney Lane, Norwich NR4 7UH
Plant Science Innovations Limited	Contract Research	John Innes Centre, Colney Lane, Norwich NR4 7UH

Notes to the Financial Statements (continued)

15 Non-Current Investments (continued)

The following company was 67% owned at 31 July 2022:

Name	Principal activity	Registered Office
Iceni Seedcorn LLP	Investments	The Registry, University of East Anglia, Norwich. NR4 7TJ

Carbon Connections UK Limited, Low Carbon Innovation Fund Limited, UEA Pension Trustee Limited and UEA Publishing Project Limited are companies limited by guarantee with the University as sole member. Quadrum Institute Biosciences and The Sainsbury Laboratory are companies limited by guarantee with the University having the right to assume control of the board.

The University holds all of the issued £1 ordinary shares in each of UEA Student Residences Limited, UEA Enterprises Limited, UEA INTO Holdings Limited, UEA Consulting Limited, and UEA Company 1 Limited. It holds all 50 pence ordinary shares in UEA NRP Investments Limited.

IFR Enterprises Limited and QIB Extra Limited are fully owned subsidiaries of Quadrum Institute Biosciences and Plant Science Innovations Limited is a fully owned subsidiary of The Sainsbury Laboratory.

Iceni Seedcorn LLP is a limited liability partnership with a third of the membership interest held by the University and a third by The Sainsbury Laboratory.

16 Investments in joint ventures

During the year the University had an interest in a joint venture arrangement with INTO UEA LLP whose accounting period ends 31 July.

INTO UEA LLP is a joint venture between the University and INTO University Partnerships Limited. The University's 50% interest is held by UEA INTO Holdings Limited, a wholly owned subsidiary of the University. A 50% share of INTO UEA LLP's gross assets and liabilities are included in the University's consolidated balance sheet and 50% of its income and net result are reported in the University's consolidated income and expenditure account. INTO UEA LLP's principal activity is the provision of pre-University education for international students. INTO UEA LLP is registered at The Registry, University of East Anglia, Norwich Research Park, Norwich NR4 7TJ.

	Year ended 31 July 2022		Year ended 31 July 2021	
	£000	£000	£000	£000
Income and expenditure account				
Income		4,819		4,769
		<u>4,819</u>		<u>4,769</u>
Expense before tax		(1,580)		(2,334)
		<u>(1,580)</u>		<u>(2,334)</u>
Balance sheet				
Fixed assets		553		589
Current assets	3,819		3,672	
Creditors: amounts due within one year	(4,975)		(4,057)	
		<u>(1,156)</u>		<u>(385)</u>
Creditors: amounts falling due after more than one year		(3,500)		(2,500)
		<u>(3,500)</u>		<u>(2,500)</u>
Share of net assets		<u>(4,103)</u>		<u>(2,296)</u>

To comply with accounting policy the University does not consolidate negative net assets.

Notes to the Financial Statements (continued)

17 Trade and other receivables

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Amounts falling due in more than one year	1,244	-	2,849	-
Research grants receivable	7,486	5,270	9,209	7,316
Other trade receivables	22,551	20,826	14,220	13,210
Interest receivable	-	-	-	-
Prepayments and accrued income	7,706	5,509	6,499	4,773
Amounts due from subsidiary companies	-	1,931	-	5,020
	38,987	33,536	32,777	30,319

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Quadrum Institute Biosciences has agreed to provide QI Partners with a loan facility of £5.4m, which is repayable between November 2018 and October 2024. As at 31 July 2022, £875k of the facility was drawn down by QI Partners. The loan has been provided on an arm's length basis and interest is payable on the loan at a rate of 3.0% pa.

Trade debtors are stated after provisions for impairment of :

	2,901	2,885	2,901	2,885
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18 Current investments

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Short term deposits	24,000	12,000	11,500	-
	24,000	12,000	11,500	-

At 31 July for these fixed term deposits

The weighted average interest rate :	1.21%	0.87%	1.01%	0.00%
The remaining weighted average period for which the interest rate is fixed:	6	5	3	-

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority or Prudential Regulation Authority.

19 Creditors: amounts falling due within one year

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Bank loans	2,068	2,068	17,014	17,014
Obligations under finance leases	16	16	16	16
Trade creditors	13,516	12,232	5,034	8,641
Capital creditors	3,969	3,969	3,679	3,679
Other taxation and social security	4,393	4,213	3,954	3,721
Accruals and deferred income	95,071	82,519	75,567	60,725
Amounts due to subsidiary companies	-	12,113	-	12,291
	119,033	117,130	105,264	106,087

Amounts due to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Donations and endowments	290	290	284	284
Research grants received on account	22,258	16,666	23,493	17,398
Lease variation payment	24,894	24,894	-	-
Grant income	7,484	7,484	7,526	7,526
	54,926	49,334	31,303	25,208

Notes to the Financial Statements (continued)

20 Creditors: amounts falling due after more than one year

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Bank loans	31,205	31,114	33,273	33,182
Private Placement loans	108,000	108,000	108,000	108,000
Obligations under finance leases	16	16	32	32
	<u>139,221</u>	<u>139,130</u>	<u>141,305</u>	<u>141,214</u>

Bank, private placement and OfS loans are repayable as follows :

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Due within one year or less	2,068	2,068	17,014	17,014
Due between one and two years	2,124	2,124	2,068	2,068
Due between two and five years	6,724	6,724	6,546	6,546
Due in five years or more	130,356	130,265	132,658	132,567
	<u>141,272</u>	<u>141,181</u>	<u>158,286</u>	<u>158,195</u>

The net finance lease obligations are as follows :

	2022 Consolidated £000	2022 University £000	2021 Consolidated £000	2021 University £000
Due within one year or less	16	16	16	16
Due between one and two years	16	16	16	16
Due between two and five years	1	1	17	17
	<u>33</u>	<u>33</u>	<u>49</u>	<u>49</u>

The finance leases are secured on the assets to which they relate.

The details of the loans are as follows:

Lender	Amount £000	Term	Interest rate	Borrower
Private Placement loan	33,000	30 years	3.9%	University
Private Placement loan	75,000	30 years	3.0%	University
European Investment Bank	33,182	20 years	2.7%	University
HSBC	90	-	-	Iceni Seedcorn LLP
	<u>141,272</u>			

All loans are unsecured. The loan with HSBC only becomes payable should certain performance conditions be met by Iceni.

Notes to the Financial Statements (continued)

21 Provision for liabilities

	Consolidated and University	
<u>Pension provision</u>	Obligation to fund deficit on USS pension £000	Total Pensions Provisions £000
At 1 August 2021	51,567	51,567
Movement in the year	60,673	60,673
Provision at 31 July 2022	112,240	112,240

	Consolidated and University	
<u>Pension surplus</u>	UEASSS pension scheme provision/(surplus) £000	Total Pensions Provisions/(surplus) £000
Provision at 1 August 2021	20,776	20,776
Movement in the year	(23,227)	(23,227)
Surplus at 31 July 2022	(2,451)	(2,451)

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to 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 27.

The major assumptions used to calculate the obligations in the University are:

	2022
Discount rate	3.31%
Salary growth	2.00%

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

Change in assumptions at 31 July 2022	Approximate impact £000
0.5% pa decrease in discount rate	4,660
0.5% pa increase in salary inflation over duration	4,692
0.5% pa increase in salary inflation year	545
0.5% increase in staff changes over	4,746
0.5% increase in staff changes year 1	556
1% increase in deficit contributions	4,966

Notes to the Financial Statements (continued)

21 Provision for liabilities (continued)

UEASSS provision

The University operates a defined benefits pension, University of East Anglia Staff Superannuation Scheme (UEASSS). The provision is the projected variance of future scheme liabilities to the current value of the scheme's assets (Note 27).

22 Endowment Reserves

	Consolidated and University			2022	2021
	Restricted Permanent £000	Unrestricted Permanent £000	Expendable £000	Total £000	Total £000
Balance at 1 August 2021					
Capital	4,065	18	8,034	12,117	9,773
Accumulated income	636	4	171	811	713
	4,701	22	8,205	12,928	10,486
New endowments	-	-	2,310	2,310	3,128
Investment income	150	1	35	186	148
Expenditure	(315)	-	(1,476)	(1,791)	(1,332)
	(165)	1	(1,441)	(1,605)	(1,184)
(Decrease)/increase in market value of investments	(250)	(1)	(170)	(421)	498
Balance at 31 July 2022	4,286	22	8,904	13,212	12,928
Represented by					
Capital	3,552	17	8,484	12,053	12,117
Accumulated income	734	5	420	1,159	811
	4,286	22	8,904	13,212	12,928

	Consolidated and University			2022	2021
	Restricted Permanent £000	Unrestricted Permanent £000	Expendable £000	Total £000	Total £000
Analysis by type of purpose					
Lectureships	109	-	2	111	111
Scholarships and bursaries	3,319	-	1,156	4,475	4,852
Research support	-	-	337	337	420
Prize funds	800	22	95	917	924
Other	58	-	7,314	7,372	6,621
	4,286	22	8,904	13,212	12,928
Analysis by asset					
Investments				6,626	6,434
Cash and cash equivalents				6,586	6,494
				13,212	12,928

Notes to the Financial Statements (continued)

23 Restricted Reserves

Reserves with restrictions are as follows:

	Grants	Donations	2022	2021
	£000	£000	Total	Total
			£000	£000
Balances at 1 August 2021	3875	16,753	20,628	20,400
New donations	4,125	1,212	5,337	1,169
New grants received				
Expenditure	(2,079)	(760)	(2,839)	(941)
Balances at 31 July 2022	5,921	17,205	23,126	20,628

	University	2022	2021
	Donations	Total	Total
	£000	£000	£000
Balances at 1 August 2021	16,753	16,753	16,525
New donations	1,212	1,212	1,169
Expenditure	(760)	(760)	(941)
Balances at 31 July 2022	17,205	17,205	16,753

Analysis of donations by type of purpose:

Scholarships and bursaries	1,270	990
Research support	12	12
Prize funds	227	105
Capital	15,428	15,366
Other	268	280
	17,205	16,753

24 Consolidated cash and cash equivalents

	£000
As at 1 August 2021	67,523
Cash flows	(16,342)
As at 31 July 2022	51,181

25 Consolidated reconciliation of net debt

	£000
Net debt 1 August 2021	90,812
Movement in cash and cash equivalents	(16,342)
Other non-cash changes	15,654
Net debt 31 July 2022	90,124
Change in net debt	(688)

Notes to the Financial Statements (continued)

25 Consolidated reconciliation of net debt (continued)

Analysis of net debt:	2022 £000	2021 £000
Cash and cash equivalents	51,181	67,523
Borrowings: amounts falling due within one year		
Unsecured loans	2,068	17,014
Obligations under finance leases	16	16
	2,084	17,030
Borrowings: amounts falling due after more than one year		
Unsecured loans	139,205	141,273
Obligations under finance lease	16	32
	139,221	141,305
Net debt	90,124	90,812

26 Capital commitments

At 31 July 2022 the Group had outstanding commitments for capital expenditure of £10,939,000 (2021: £13,875,000).

27 Pensions

The University participates in two defined benefit contracted out pension schemes, the national Universities Superannuation Scheme ("USS") and the University of East Anglia Staff Superannuation Scheme ("UEASSS").

Universities Superannuation Scheme

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

Because of the mutual nature of the scheme, the assets are not attributed to individual Universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other Universities' 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 University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University 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 Consolidated Statement of Comprehensive Income.

The total cost charged to the Consolidated Statement of Comprehensive Income is £25,228,000 (2021: £24,121,000) including PensionChoice, but excluding the impact of the change in the deficit recovery plan, as shown in Note 21. This includes interest payable of £449,000 (2021: £374,000).

Deficit recovery contributions due within one year by the University are £7,409,000 (2021: £2,286,000).

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

Notes to the Financial Statements (continued)

27 Pensions (continued)

Universities Superannuation Scheme (continued)

Since the University cannot identify its share of 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 USS 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 (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. to 2030, 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 assumption used relates 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

The current life expectancies on retirement at age 65 are:	2022	2021
	valuation	valuation
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

Notes to the Financial Statements (continued)

27 Pensions (continued)

Universities Superannuation Scheme (continued)

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	2.00%	2.00%

University of East Anglia Staff Superannuation Scheme

The University of East Anglia operates a defined benefit scheme in the UK, which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service. Since 1 November 2007, the scheme has been closed to new members. Contributions to the scheme for the year beginning 1 August 2022 are expected to be 45.6% of pensionable salaries for those members who participate in the University's salary sacrifice arrangements and 37.6% of pensionable salaries for those who do not, plus additional annual contributions of £75,000 payable in equal monthly instalments to 31 August 2028.

Preliminary results of the full actuarial valuation of the Scheme as at 31 July 2021 have been updated to 31 July 2022 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	31 July 2022	31 July 2021
Weighted-average assumptions to determine defined benefit obligation		
Discount rate	3.50%	1.70%
Salary increase rate	3.35%	3.45%
Pensions-in-payment increase rate	2.80%	2.70%
Price Inflation rate (CPI)	2.70%	2.70%
Assumed life expectancy on retirement at age 63		
Retiring today (member age 63)	23.1(M)/ 25.6(F)	24.0(M)/ 26.4(F)
Retiring in 20 years (member age 43 today)	24.0(M)/ 26.7 (F)	25.4(M)/ 27.8(F)
Weighted-average assumptions to determine cost relating to defined benefit plans		
Discount rate	1.70%	1.30%
Salary increase rate	3.45%	3.25%
Pensions-in-payment increase rate	2.70%	2.10%
Price Inflation rate (CPI)	2.70%	2.10%

Notes to the Financial Statements (continued)

27 Pensions (continued)

University of East Anglia Staff Superannuation Scheme (continued)

The fair value and return on the plan assets were as follows:

	Value at 31 July 2022 £000	Value at 31 July 2021 £000
The assets in the scheme were:		
Equity and Property	60,769	68,440
Bonds and Cash	75,061	95,020
Fair value of scheme assets	135,830	146,592
The actual return on assets over the year was	(25,885)	11,856
Present value of funded obligations	133,379	184,236
Fair value of scheme assets	135,830	163,460
Surplus/(Deficit) in funded scheme/ net liability in balance sheet	2,451	(20,776)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2022 £000	2021 £000
Benefit obligation at the beginning of the year	184,236	181,867
Current service cost	3,629	3,704
Interest cost	3,091	2,334
Contributions by scheme participants	62	68
Actuarial (gains)/losses	(52,807)	860
Benefits paid	(4,832)	(4,597)
Liabilities at the end of the year	133,379	184,236

Reconciliation of opening and closing balances of the fair value of scheme assets	2022 £000	2021 £000
Fair value of scheme assets at the beginning of the year	163,460	152,887
Interest income on scheme assets	2,764	1,979
Return on assets, excluding interest income	(28,673)	9,852
Contribution by employers	3,473	3,557
Contribution by scheme participants	62	68
Benefits paid	(4,832)	(4,597)
Scheme administrative cost	(424)	(286)
Fair value of scheme assets at the end of year	135,830	163,460

The amounts recognised in comprehensive income and expenditure:	2022 £000	2021 £000
Service cost - including current service costs, past service costs and settlements	3,629	3,704
Service cost - administrative cost	424	286
Net interest on the net defined benefit liability	327	355
	4,380	4,345

Remeasurements of the net defined benefit liability	2022 £000	2021 £000
Actuarial (gains)/losses on the liabilities	(52,807)	860
Return on assets, excluding interest income	28,673	(9,852)
	(24,134)	(8,992)

Notes to the Financial Statements (continued)

27 Pensions (continued)

Other Pension Schemes

In January 2021 the University implemented a defined contribution scheme; UEA Group Personal Pension (UEAGPP). Contributions from the University into this scheme during the year were £384,000 (2021: £43,000)

The University contributed to the National Health Service Pension Scheme, a multi-employer defined benefit pension scheme. This is accounted for as a defined contribution scheme because it is not possible to identify the University's share of underlying scheme liabilities. Contributions in the year were £474,000 (2021: £431,000).

All staff employed by QIB (formerly Institute of Food Research) on 30 September 2011 became BBSRC employees on 1 March 2012 and were deployed back to the Institute under conditions set out in the Deployment Agreement (the "Deployed Employees"). The Deployed Employees remained with the Institute on an exclusive and full-time basis and day-to-day direction and line management of the Deployed Employees was delegated to QIB, subject to the terms of the BBSRC Employment Contract. QIB retained responsibility for paying employment costs in relation to the Deployed Employees, including basic pay and allowances, contractual payments, tax, NI and pension contributions.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. Contributions in the period were £224,000 (2021: £301,000). QIB also paid in £384,000 into an Aviva Stakeholder Pension scheme and £40,000 into the National Employment Pension Trust (NEST).

28 Sainsbury Institutes

The Sainsbury Institute for the Study of Japanese Arts and Culture ("SISJAC"), Sainsbury Centre for Visual Arts (SCVA) and Sainsbury Research Unit are independent Institutes affiliated to the University.

Staff of the Institutes are employees of the University and their salary costs are fully reimbursed from external sources. Certain other running costs of the Institutes are paid in the first instance by the University and these also are fully reimbursed from external sources. Expenditure and its reimbursement are included in the University's financial statements.

29 Operating lease commitments

At 31 July the Group and University had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Consolidated					
	Land & Buildings £000	Other £000	2022 £000	Land & Buildings £000	Other £000	2021 £000
Payments due:						
Not later than one year	231	102	333	206	243	449
Later than one year and not later than five years	501	85	586	342	204	546
Later than five years	138	2	140	-	-	-
	870	189	1,059	548	447	995

	University					
	Land & Buildings £000	Other £000	2022 £000	Land & Buildings £000	Other £000	2021 £000
Payments due:						
Not later than one year	231	100	331	206	242	448
Later than one year and not later than five years	501	78	579	342	200	542
Later than five years	138	-	138	-	-	-
	870	178	1,048	548	442	990

Notes to the Financial Statements (continued)

30 Related Party Transactions

During the year ended 31 July 2022, the University had transactions with a number of organisations which fell within the definition of Related Parties within Section 33 of FRS102. Transactions are disclosed where Members of Council and other senior members of staff disclose an interest in an organisation with whom the University undertakes transactions which are considered material to the University's financial statements and/or the other party.

Due to the nature of the University's operations and the composition of the Council (some of whom 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 Disclosure' and has not disclosed transactions with other wholly owned group entities.

	Income from related party £000	Expenditure to related party £000	Balance due to/(from) related party £000
INTO UEA LLP	228	460	(495)
Union of UEA Students Ltd	616	2,845	(435)
Anglia Innovation Partnership LLP	-	213	3
QI Partners	629	2,578	(984)
Norfolk and Norwich University Hospital	2,698	2,078	(11)
Biotechnology and Biological Science Research Council	29,592	-	3,308
Norwich City Council	-	15	2
Adnams PLC	-	6	-
The Gatsby Charitable Foundation	4,753	-	-
Two Blades Foundation	1,796	-	-
NBI Partnership	3	2,210	10

INTO UEA LLP

The majority of income from INTO UEA LLP relates to the provision of utilities. Expenditure relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

Union of UEA Students Ltd

The majority of income from Union of UEA Students Ltd relates to leases and maintenance services. Expenditure relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

Anglia Innovation Partnership LLP

Expenditure payable to Anglia Innovation Partnership LLP relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

QI Partners

The majority of income from QI Partners relates to the provision of catering and security services. Expenditure relates mainly to the provision of shared services invoices processed through the accounts payable system and payable in the normal course of business.

Norfolk and Norwich University Hospital

The majority of income from Norfolk and Norwich University Hospital relates to salaries and premises rent. Expenditure mainly to research collaborator invoices processed through the accounts payable system and payable in the normal course of business.

Biotechnology and Biological Science Research Council

The majority of income from Biotechnology and Biological Science Research Council relates to grant and research income.

Norwich City Council

Expenditure payable to Norwich City Council relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

Adnams PLC

Expenditure payable to Adnams PLC relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

The Gatsby Charitable Foundation

The majority of income from The Gatsby Charitable Foundation relates to grant and research income.

Two Blades Foundation

The majority of income from The Two Blades Foundation relates to grant and research income.

NBI Partnership

Expenditure payable to NBI Partnership mainly relates to a provision of shared services invoices processed through the accounts payable system and payable in the normal course of business.

Notes to the Financial Statements (continued)

31 Department for Education Bursaries

	2022 £000	2021 £000
<u>Initial Teacher Training Bursaries</u>		
Funding at the beginning of the year	171	110
Training Bursary funds received during the year	458	2,541
Training Bursary payments during the year	(564)	(2,480)
	<hr/>	<hr/>
Funding at the end of the year	65	171
	<hr/>	<hr/>
	2022 £000	2021 £000
<u>Educational Psychology Bursaries</u>		
Funding at the beginning of the year	(40)	7
Training Bursary funds received during the year	500	424
Training Bursary payments during the year	(500)	(471)
	<hr/>	<hr/>
Funding at the end of the year	(40)	(40)
	<hr/>	<hr/>

As the University acts as a paying agent only, these transactions have not been reflected in these financial statements.

The amount paid out in excess of funds received during the year is recoverable from the Department of Education.

32 Contingent liabilities

The University has an agreement with Middlesex Office S.A.R.L, INTO London Middlesex Street LLP and The Royal Bank of Scotland plc to guarantee the rental commitments of INTO London Middlesex Street LLP, formerly a joint venture entity, for a maximum of five years. The estimated annual rental charge amounts to £1,600,000. Council does not expect any material loss to the University to arise in respect of this guarantee.

The University has contracted with the East of England Strategic Health Authority ("EESHA") (which has delegated authority from the NHS Executive via its regional office) to teach, to degree level, occupational therapy and physiotherapy students nominated and funded by EESHA. The teaching takes place on campus in the Queen's Building, which the then Anglia & Oxford Regional Health Authority constructed at its own expense on land leased to the Secretary of State for Health by the University for sixty years. The University pays no rent for its occupation of the building.

The University has undertaken, in the event of the teaching contract being terminated before the expiry of sixty years following the completion of the building in 1992, to purchase it or lease it back from the Secretary of State for Health. The purchase price or rental is to be calculated by reference to the initial construction cost of the building and the increase in building costs since the date of construction with an overriding depreciation to zero over the sixty years of the lease. The University believes it is unlikely that this contingent capital commitment will arise in the foreseeable future.

On the 17th November 2020 the University entered into an agreement with INTO UEA LLP and HSBC UK Bank plc to guarantee the Coronavirus Large Business Interruption Loan Scheme loan facility. The value of the facility is £7,000,000 and the guarantee is limited to 50% of the amount outstanding. Council does not expect any material loss to the University to arise in respect of this guarantee.

33 Post balance sheet events

University of East Anglia Staff Superannuation Scheme (UEASSS): the university operates UEASSS (a defined benefit pension scheme). Financial markets have moved significantly since 31 July 2022: long-dated AA corporate bond yields (used to set the discount rate) have increased significantly during the period, which acts to reduce the Defined Benefit Obligation (DBO). The reduction in DBO will likely be partially offset by a reduction in the value of fixed interest and liability matching investments, and different Funds have different asset mixes so the impact on the net balance sheet position will depend on the specific assets held. There has been some recovery to the markets recently and the Trustee of the Scheme is working closely with the investment advisers and actuaries to the pension scheme. The Trustee has agreed to further review the position in early 2023 before taking additional action. The University will seek information from the Trustee following their review with a particular interest taken in respect of any additional funding that may be required.

Notes to the Financial Statements (continued)

34 US Department for Education Supplemental Schedule

	2022
Statement of Financial Position	£000
Cash and cash equivalents	51,181
Accounts receivable, net	37,589
Prepaid expenses - including stock	1,083
Related party receivable	1,398
Investments	18,200
Property, plant and equipment, net	559,886
Deposits	24,000
Total Assets	693,337
Line of credit - short term	2,068
Line of credit - short term for CIP	-
Accrued expenses/Accounts payable	62,039
Deferred revenue	54,926
Post-employment and pension liability	109,789
Line of credit for long term purposes	139,221
Total Liabilities	368,043
Net Assets without Donor Restrictions	288,892
Net Assets with Donor Restrictions	
Other restricted by purpose and time	23,190
Restricted in perpetuity	13,212
Total Net Assets with Donor Restrictions	36,402
Total Net Assets	325,294
Total Liabilities and Net Assets	693,337
Changes in Net Assets without Donor Restrictions	
Operating Revenue and Other Additions:	
Tuition and fees, net	167,634
Contributions	-
Grants and contracts - including research	94,190
Donations and endowments	3,708
Other revenues	55,448
Investment income	448
Total Operating Revenue and Other Additions	321,428
Operating Expenses and Other Deductions	
Education and research expenses	298,931
Depreciation and amortization	31,506
Interest expense	5,293
Total Operating Expenses - excluding change in pension prov	335,730
Change in Net Assets from Operations	(14,302)
Non-Operating Changes	
Pension-related changes other than net periodic pension costs	(36,090)
Loss on investments	53
Other gains (losses)	(11)
Total Non-Operating Changes	(36,048)
Change in Net Assets without Donor Restrictions	(52,752)
Change in Net Assets with Donor Restrictions	1,489
Net assets released from restriction	1,285
Changes in Net Assets with Donor Restrictions	2,774
Change in Net Assets	(49,978)
Net Assets, Beginning of Year	375,272
Net Assets, End of Year	325,294