

University of East Anglia

Annual Report and Financial Statements

2022 - 2023



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)		31-Jul-2024
Mark Williams (Treasurer)	Resigned as Treasurer 31-May-2023	
	Resigned as Member of Council 31-Jul-2023	
Simon George (Treasurer)	Appointed as Member of Council 1-Jan-2023	31-Dec-2025
	Appointed as Treasurer 1-Jun-2023	
Jeremy Clayton (Deputy Chair)		31-Jul-2025
Andrew Wood (Senior Independent Member)		31-Jul-2026
Gillian Maclean		31-Jul-2025
Jeanette Wheeler		31-Jul-2025
Stephen Evans	Resigned 6-Feb-2023	
David Hansom	Appointed 1-Oct-2023	31-Jul-2026
Jonathan Paine		31-Jul-2024
Lu-Yun Lian		31-Jul-2025
Francis Tengenasha		31-Jul-2025
Thomas Mather		31-Jul-2025
William McCluggage	Appointed 1-Oct-2023	31-Jul-2026
Ex-officio Members		
David Richardson (Vice-Chancellor)	Resigned 27-Feb-2023	
David Maguire (Vice Chancellor)	Appointed 22-May-2023	n/a
Christine Bovis-Crossen (Provost and Deputy Vice-Chancellor)		n/a
Fiona Lettice (Pro Vice-Chancellor)	Resigned 31-Aug-2023	
Brian Reid (Interim Pro-Vice-Chancellor)	Appointed 1-Sep 2023	31-Aug-2024
Appointed by Senate		
Usha Sundaram		31-Jul-2024
Laura Camfield		31-Jul-2025
Elected by the support staff		
Kristopher Harper-Allison		31-Jul-2024
Nominated by the Students' Union		
Taylor Sounes		31-Jul-2024
Serene Shibli Sexton		31-Jul-2024

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

Vice-Chancellor

David Maguire BSc, PhD

Treasurer

Simon George, BA, MSc, ACMA, CPFA

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

Independent Auditors

KPMG LLP
20 Station Road
CAMBRIDGE
CB1 2JD

Business Review

The academic year 2022-23 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 – We truly are at our best when we can work, learn and collaborate together on our beautiful campus.

Delivering our global Civic duty continues and we are proud to be twinned with Vasyl Stefanyk Precarpathian National University (PNU) in Ukraine and continue to support their teaching and research efforts with academic collaborations and symposiums. In the summer we were delighted to host a group of their staff at UEA. We have also been making history, 'The Last Voyage of the Gloucester' exhibition, co-curated by our maritime academic experts Prof Claire Jowitt and Dr Benjamin Redding, opened at Norwich Castle in February and has just finished a 6-month exhibition, witnessing record visitor numbers. The Gloucester 1682 Charitable Trust has been formed and this world-leading maritime research continues, with discussions underway for a future Maritime Heritage Centre in the Faculty of Arts and Humanities.

In June, we witnessed the King's Coronation. King Charles III has been an active supporter of ours and is Patron of the School of Environmental Sciences. We look forward to continuing to play our part in supporting the region with our Civic duties and commitments. During the year we further expanded our widening participation reach by opening the new Great Yarmouth Education Centre in March and extended our Civic offer of the free Business Clinic on campus, complementing our incredibly successful Law Clinic.

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

From a financial point of view this year has been challenging. For the third year running we fell short of our student recruitment targets in the home undergraduate student market, leading to reduced income from commercial activities (notably student residences) which was swiftly mitigated. The University announced (early 2023) a cost savings plan to rebalance its finances after accumulated years of multiple deficits, with the root cause being a decline in planned student fee income without commensurate reduction in costs (see the Outlook section of this report).

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 reported 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 £18.2m - (2022: £13.9m deficit). The movement between years are highlighted further within the business review.
- The 2022 student recruitment cycle was challenging, due in part to a lack of on-campus open day visitors in the previous year relating to the pandemic and the continued impact on exam results from teacher and centre assessed grades. This has seen many higher-ranking Universities over-recruit with many mid-tariff Universities such as UEA falling short of their undergraduate targets. The financial impact of this has been mitigated by a significant increase in post graduate recruitment from international markets.
- From a cash perspective, the University continued to be cash generative with net cash inflow from operating activities of £8.9m (2022: £13.7m).
- The consolidation of the Quadram Institute Biosciences ("QIB") and The Sainsbury Laboratory ("TSL") are reflected as a £2.2m and £1.6m surplus respectively.

During the year, despite the work underway to address the accumulated years of deficits, the critical work on the Lasdun Wall (the first part of the Campus Development Plan (CDP)) continued to push forward. This is designed to make UEA more sustainable and fit for the future. 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

Business review (continued)

Key Financial Highlights

2022-23 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:

	2023 £m	2022 £m	Increase/ (decrease) on 2022
Group income (excluding joint ventures)	345.5	321.4	7.5%
Expenditure	339.1	395.6	(14.3%)
Surplus/(Deficit) for the year before taxation*	5.9	(74.2)	
Adjusted (Deficit) for the year (prior to recognising movement in respect of pension schemes)	(18.2)	(13.9)	
Adjusted (Deficit)/Surplus as % of group income	(5.3%)	(4.3%)	
Total Comprehensive Surplus/(Deficit) for the year (after recognising movement in pensions schemes, taxation and gains and losses on investments)	0.6	(50.0)	
Capital expenditure additions	42.7	27.3	(56.4%)
Capital grants receivable	12.2	2.5	388.0%
Net cash inflow from operating activities	8.9	13.7	(35.0%)
Net assets	325.9	325.3	0.2%

*movement between years due to isolated effect of USS pension provision as tabled on page 22.

Income & Expenditure

The total comprehensive surplus for the year is £0.6m (2022: £50m deficit). This is after recognising the actuarial loss in respect of pension schemes of £5.3m, and the reduction in the USS pension deficit £24.1m, included within staff costs. Adjusting for these two items, the Group has delivered a deficit for the year of £18.2m (2021: £13.9m deficit).

Group income of £345.5m increased by £24.1m, up 7.5% over the previous year. Funding body grants increased to £50.1m reflecting the allocation of specific grants during the year in relation to the Global Challenges Research Fund and additional capital grants. Recurrent teaching grant increased slightly, in line with the increase in medical and science student numbers.

Within tuition fees and education contracts income, Home full-time student fees reduced by £8.2m to £107.1m (7.1% down on last year) and Overseas student fees increased in the year to £41.3m (2022: £37.8m). 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 alongside the continued practice of teacher assessed grades for 2022. The market continues to be challenging after the turmoil of the pandemic. The figure also represents the continuation of higher recruitment (from previous years) into future years of courses, which we and the sector has experienced increases in attrition linked to return to in person examinations for cohorts impacted by the pandemic including areas where practical based learning has suffered as a result of a period of delivery through online learning. 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, and an increase in the number of postgraduate taught students with the removal of travel restrictions experienced in prior years because of the pandemic. The University continues to benefit as a result of students progressing from the INTO joint venture.

Research income increased by £2.5m (4.7%) and Other income at £68.7m is £13.2m higher than 2022 (£55.5m) primarily due increased trading activities of £7.1m (residences, catering, conferences and other services) and increased receipt of externally funded capital grants of £6.1m.

Total expenditure reduced by £56.5m, 14.3% in the year (2022: £79.7m increase). This was primarily a result of the movement in the USS pension liability of £24.1m reduction compared to an increase of £60.2m in 2022. Excluding the pension provisions, there is an overall net increase in spend of £27.8m, 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 £4.9m and interest charged on pension liabilities of £3.8m (non-cash).

Business review (continued)

Reserves

Net assets s increased marginally in the year by £0.6m to £325.9m.

Capital Expenditure and Grants

Total tangible fixed asset additions in the year amounted to £42.7m (2022: £27.3m) and capital grants receivable in the year (excluding joint ventures) relating to tangible fixed asset expenditure amounted to £12.2m (2022: £2.5m). The major areas of capital expenditure during the year included:

	£m
Campus Development Programme (phase 1)	9.8
Improvements	4.4
IT	13.5
Faculty and research	3.4
Fire remedial works	2.7
Heritage assets donation	1.0
Other capital expenditure	7.9
	<u>42.7</u>

Cash and Debt

Net operating cash flow

Cash inflow from operating activities before endowment expenditure for the year was £8.9m (2022: £13.7m). Total debt service costs, relating to both loans and finance lease commitments were £7.0m (2022: £6.5m). Cash inflow from operating activities plus investment income (£1.6m) was £10.4m, which at 1.5 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, increased during the year by £15m to £81m.

Loans

The 10-year revolving credit facility with NatWest Bank of £100m remains undrawn at the end of the financial year. All remaining loans are fully drawn, on an unsecured basis with average loan interest rates at 3%.

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.

Cash and cash equivalents, excluding endowment assets (£5.7m), reduced during the year by £1.2m to £43.4m, with a further £9.5m (2022: £24m) 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.

Joint Ventures

The joint venture, INTO UEA LLP ("INTO UEA Norwich"), referred to in note 16 to the financial statements, has continued to be significantly impacted through the recruitment of lower levels of students compared to the business plan. For the year 2022/23, the joint venture has reported significant losses because 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 2020/21 year and beyond. The University and its other joint venture partner (INTO University Partnerships) are each acting as joint and several guarantors in respect of this loan (50% each) to a maximum total value of £7m. There is a separate bipartite agreement between the two guarantors with each indemnifying the other for any sums paid in excess of 50% of the sum outstanding at the time any call is made on the guarantee. Given the current financial position of the joint venture the University has made provision to support the repayment of £3.5m (50% of the CBIL) on behalf of the joint venture as guarantor towards the end of 2023 calendar year. In addition, during the financial year the University has provided cash to INTO to the amount of £1.7m to support its operations, which is anticipated to be repaid over the next five years while the joint venture recovers and builds up surpluses and cash reserves. During the year there was an appointment of a new INTO Centre Director, after the retirement of the outgoing Centre Director. The University is pleased with this new appointment.

Business review (continued)

Outlook

We should acknowledge that it has been a particularly challenging year for the University. During 2022, the University had already recognised the need to achieve financial stability post-pandemic. It reassessed its financial performance to ensure an operating model that was sufficient to support its Campus Development Plan (CPD), and to develop new ways of working to ensure a healthy, thriving student and staff community. To deliver this the Strategic Review Programme (SRP) an ambitious two-year change programme (2022-24) designed to provide the platform for UEA's future success was launched in July 2022. 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

At the end of January 2023, the decision was made to accelerate the SRP as it had become clear that the University was facing a very serious and challenging financial situation, with the root cause linked to a decline in planned student income without a commensurate reduction in costs.

Student recruitment numbers for 2022/23 were significantly lower than originally planned. This is on top of an accumulated 3,000 fewer students than planned throughout the Covid years, as experienced by many others in the Higher Education sector. In the light of this experience, we have revised downwards our student number targets for future years. These combined changes mean less fee income than forecast. On the more positive side, we are entering a period where the number of 18-year-olds in the UK is increasing but there is some evidence that many of these are deciding not to enter university. We and the sector are monitoring closely to better understand the patterns of behaviour for potential students. There continues to be fierce competition for students now that student numbers for most courses are uncapped. Non-continuation rates between 2021/22 and 2022/23 were higher than the previous two years across the HE sector. It remains to be seen if this is a one-off (potentially related to students who entered with Centre Assessed Grades) or is likely to continue (especially as there is a buoyant employment market). The sector has seen tuition fees frozen at £9,250 since 2017, an effective real terms reduction of circa 35% by the end of financial year 2023/24 and are set to remain at the level for the foreseeable future, whilst other costs are inflating significantly.

The inflationary pressure has become far reaching, impacting our energy costs that have risen significantly for 2023/24. Advance purchase contracts on significantly lower rates that provided some cost protection will expire over the period and the fixed rate market is challenging with often very short time windows available (rates for 2024 are now tracking significantly lower than forecast). The University is impacted by the general rise in prices, for example, the Estate maintenance costs are rising rapidly. There is significant pressure on staff costs as we face the impact of the cost-of-living crisis. The pay settlement for 2023/24 alone increases payroll costs by c6%, noting that staff costs continue to represent around 60% of total expenditure, excluding depreciation and interest. We are experiencing a changing nature of international student recruitment; for example the shift in recruitment from China to Indian and Nigerian markets impacts recruitment costs. New markets are more sensitive to course fees, with an expectation that fees are offset or discounted to a greater degree by bursaries or scholarships.

The University Council endorsed a plan to address our budget deficit in 2023-24 with the primary objective to achieve sufficient savings to safeguard cash balances, prevent a breach of our regulatory and banking covenants and sustain the University for the long term. It was also recognised that the level of savings required cannot be undertaken without some impact on the teaching and research performance of the University. We therefore put in place a range of performance indicators relating to the following themes, monitoring of associated risks and reporting to university committee and the Executive team on a regular basis:

- Reputation
- Research and Innovation
- Student education
- Student experience
- Our people

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.

Business review (continued)

As we enter our 60th anniversary we are pleased to report that all the necessary £30.1m cost savings have been achieved, and we have delivered this without recourse to compulsory staff redundancies. We have commenced development of a clear plan to ensure UEA is financially sustainable into the future. Our budgetary forecasts are expected to improve steadily in the next few years, with a pathway to breakeven in 2025/26 and a surplus by 2027/28. During the academic year 2023/24 the Council and the University will be working on a revised Strategic Plan.

The University is part of the Norwich Research Park and has continued to work with the other institutions based on the Park including through research collaborations and with the Norfolk and Norwich University Hospital NHS Foundation Trust where many of our students are based on placement, a significant number of our graduates are employed and where some of our health related research takes place.

The 2023 valuation in respect of the national pension scheme for the university (USS) is reporting a substantial improvement. This is a real step change from the uncertainty in recent years where we have seen multiple valuations resulting in intense negotiations on rising contributions and other detrimental changes. This improved situation offers the potential to make important changes to the overall plan for the scheme which will benefit both the employers and members of the scheme. With 10 years of declining and low interest rates being reversed over the past 18 months, the scheme is in a very different position and employers and members are now in consultation regarding reductions in contributions and improvements of benefits. The most likely outcome is a reduction in the overall contributions from 1 April 2024 to 20.6% (currently 31.4% inclusive of 6.2% deficit contributions) split between employer and member contributions using the 65:35 ratio with improvements in benefits to pre-April 2022; this will provide a cashable benefit to the university financial plan. The USS Trustee has undertaken some initial modelling on stability around mapping the outcome of the next scheduled valuation at March 2026. It is indicated that employers should consider an existing rate of future contributions of 25.2% as a reference point to plan from 2026 to assist employers in forward planning. The USS Trustee Board is due to meet mid-December to finalise the 2023 valuation, having considered UUK's response to the consultation on the Schedule of Contributions and responses to the employer-led consultation.

Unfortunately, there has been an unwelcome setback early in 2023/24. As with many other HE institutions we have some exposure to reinforced autoclaved aerated concrete (RAAC) discovered in three of our campus student residences. This includes the iconic Ziggurats which are Grade 2* listed, and likely to remain vacant for some time whilst we work through the capital impact and structural engineer survey results. We are hopeful that our other two residences will reopen during 2023/24. There is a net loss of income to the university whilst the residences remain unoccupied, which we are confident that we can absorb.

Despite the RAAC issue we continue to look forward with renewed optimism. Work is well under way on building a 2030 Strategy for the University to be launched in early 2024 and we are working through a thorough process of engagement with staff, students, stakeholders and partners to shape the future of UEA. As a dual intensive university our core purposes will continue to strive for

- Excellence in Student Education and Experience, and
- Research and Innovation.

In addition, we are already seeing positive signs from sector league tables. The national Teaching Excellence Framework (TEF): results were published on 28th September, and we have achieved a SILVER rating for both Student Experience and Student Outcomes, indicating very high quality. Also, the national Knowledge Exchange Framework (or KEF) acknowledged UEA is above average and particularly strong with "very high engagement" in consultancy with third-party organisations, licencing and other intellectual property income, investment per spinout company, and Co-authorship with non-academic partners.

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 Digital Transformation Plan, which will be underpinned by the Strategy 2030, to ensure that UEA remains the "must go to" University for promoting the success of staff and students.

Professor David Maguire

Simon George

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. An independent Governance Review was undertaken by the Halpin Partnership concluding 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 has made significant progress with implementing these recommendations and suggestions and continues to monitor the outstanding matters with a view to full implementation by the end of 2023/24. 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. 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 forthcoming Strategic Plan due for publication in January 2024. 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. Of the nine priority recommendations, seven are complete and the other two are in progress. Ten of the seventeen recommendations are complete, five are in progress and two have been deferred. Most of the suggestions have also been completed.

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.

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

Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows 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;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting 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 it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Corporate governance statement (Continued)

Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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, 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 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. The Council has developed strategic objectives and priorities in respect of their operation and management and has also tasked each Committee of Council with specific objectives. 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. During the year Senate has undertaken its own effectiveness review and recommendations were made to and endorsed by Council at their October 2023 meeting. The formal implementation of these recommendations will take place during the remainder of the 2023/24 academic year with all of the recommendations expected to be fully adopted by 1 August 2024.

In respect of its strategic and financial responsibilities, Council receives recommendations and advice from Finance Committee. Finance Committee is chaired by The Treasurer 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, 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

Corporate governance statement (Continued)

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.

Both the Audit Committee and Finance Committee met more regularly during the year as the University managed the challenging financial situation. The Senior Officers' Remuneration Committee (SORC) considers the remuneration of the members of the Executive Team and other defined Senior Officers of the University including the Directors of Professional Services.

Terms of reference and membership were revised in 2022 as part of the Council Effectiveness Review and to ensure they remain compliance with the CUC HE Senior Staff Remuneration Code. 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.

The Executive Team, chaired by the Vice-Chancellor, is responsible for the day-to-day management of the University and receives reports on performance 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 economy, efficiency and effectiveness, 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 continues to include a statement of risk appetite set by Council. During the year dedicated risk management support has been appointed and further enhancements to risk management processes are anticipated during 2023/24. 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. This process has been further developed during the year and a programme of work has been undertaken to identify the assurance framework across the University. In addition to the formal internal and external audit work Audit Committee also now receives copies of any other audits undertaken at the University. These include audits undertaken by funding bodies, regulatory organisations and other partners. The aim of these new processes is to enable a greater level of coverage of the risk landscape than can be achieved by internal audit activity alone.

During the year there were two high risk findings from the internal audit reports. These related to the NCSC Cyber Review audit and cover the areas of identity and access management and incident detection and response. We acknowledge these findings and key colleagues within the IT and Computing Services team are developing action plans to address them. We are not aware that there was any inappropriate access to the systems because 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 from Council that is periodically reviewed. In addition, a "Three Lines of Defence" approach is also being developed building on the HM Treasury model and is anticipated to be further developed during the 2023/24 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. During the financial year 2023/24 there will be a wholesale review of how departmental risk registers are compiled and risks escalated to the corporate risk register. Outlined below are the group's key risks and mitigating actions.

Business Continuity

Business continuity has been tested in real situations in recent years including through our response to the pandemic and currently in response to the identification of reinforced autoclaved aerated concrete (RAAC) in our residential estate this summer. Whilst our response to both these events, and other smaller issues, has been effective we remain vigilant to the risks. Additional resource has been deployed to improved our business continuity response and existing business continuity plans will be reviewed and

Corporate governance statement (Continued)

tested during the 2023/24 financial year and a revised Business Continuity Policy is expected to be in place by the end of the calendar year 2023.

Student recruitment, Teaching Excellence Framework, and performance measures

In common with many institutions of our size and type we are operating in a challenging and highly competitive student recruitment market especially for home undergraduate students. The September 2023 intake of international postgraduate taught students has been significant, but the nationality mix has changed radically in the past few years with a reduction in the numbers arriving

from China and a rapid increase in students arriving from India. The proportion of international students at UEA is below that of similar institutions and activities are in place to grow this proportion further in the short to medium term both with existing and new international partners. Changes to UK visa policy adds to the challenge of the market in which we operate but we have a dedicated team ensuring compliance. The University has a long track record of positive conversion activity for students who visit on either open or applicant days and we continue to benefit from the return to operating these in person.

Financial risk

During the year it became apparent that the ten themed Strategic Review Programme needed to be accelerated to deliver savings in excess of £30m for the 2023/24 financial year. This required a root and branch review of all budget lines including an institution wide voluntary severance programme and stringent review of all staff vacancies and non-pay costs. The savings achieved are embedded into current and future financial plans. Continued improvements in the financial operating model for the University are required and these are being embedded in the strategic priorities for this and subsequent years. The undergraduate fee for domestic students continues to be held at the rate of £9,250 and the value has now been eroded in real terms to circa £6,000. This is having a significant impact across the sector. There is an opportunity for UEA to grow the proportion of international students to be more in line with other similar institutions, but this carries delivery and compliance risk.

Staff experience

The impact of the Accelerated Strategic Review Programme (ASRP) and the need for significant cost reduction partly through voluntary severance and voluntary redundancy has had a negative impact on staff morale during the past year. Continued industrial action at a national level across the sector has also impacted the staff experience. We continue to operate in a challenging recruitment market for key specialities notably Computer Science and Business School academic staff, as well as facing difficulties in recruiting to the IT, Estates and Finance teams of professional services staff. During the year improved recruitment processes were developed and implemented and we have continued to monitor staff opinions through our quarterly Pulse survey. A range of engagement activities have taken place during the year including all staff forums and regular communications.

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 plans are being put 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. The identification of RAAC in September 2023, post year-end, also impacted the operation of buildings in our residential estate.

A well-developed plan is in place to secure the long-term future of the Lasdun Wall. The enabling works to prepare the first quarter of the Lasdun Wall for the planned extension and refurbishment are well under way but slightly delayed by the discovery of additional asbestos. Work continues to secure a lead contractor for the next phase. 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 commenced in November 2021 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 several themes with Data Strategy as a key theme and data identified as a principal asset of the University.

Corporate governance statement (Continued)

Sustainability

The University declared a “Climate and Bio-Diversity Emergency” during 2018-19 and sustainability is 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.

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 and Campaigns Office (DAC) is responsible for conducting its fundraising activities, led by the Director of Development. All UEA fundraisers are salaried members of staff, and there is no commission element within their pay. A formal DAC Due Diligence policy has been adopted by the University (revised 2023) 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 (£500k) and Vice-Chancellor (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 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 any guidance issued by the Fundraising Regulator and the Information Commissioner's Office. The University has chosen to pay the Fundraising Regulator's levy.

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.

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.

Dr Sally Howes

Signed on behalf of Council on 27 November 2023

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 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 2022;
- 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. The University currently host the Institute for Volunteering Research (IVR; 2018-); During the last twenty years, IVR has played a leading role in applied volunteering research involving volunteer organisations, the public sector, private sector and the government.
- 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 University supports public engagement activities at, for example, the Royal Norfolk Show, the Norwich Science Festival and through the Pint of Science initiative. These more formal activities sit alongside many *ad hoc* engagements with schools and community groups in the region.
- The School of Global 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 (SCVA) provides open access to world art including activities for school children. In 2023, the SCVA has shifted its admission pricing from fixed tariff to a “pay what you can afford” operating model (thus, supporting access to a broader cross-section of society and wealth);
- 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;
- 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)

- Schools in the Faculty of Science engage in environmental projects across the region, for example the Schools of Environmental Sciences and Computing Sciences are working with North Norfolk District Council and the British Geological Survey to understand coastal erosion processes in North Norfolk;
- 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;
- The University has established UEA Health and Social Care Partners with eleven partners 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. This ongoing relationship is supporting knowledge transfer relating to post-war decontamination and will support Ukraine to rebuild;
- Supporting The Gloucester 1682 shipwreck project and the formation of The Gloucester (1682) Charitable Trust, having co-curated the public exhibition at Norwich Castle Museum (February – September 2023) 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 Student Enterprise Fund supports entrepreneurial students who otherwise would not have access to capital to explore, develop launch new businesses.

The University also undertakes research and teaches students in all 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 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. The University therefore actively pursues its charitable objectives by means of a variety of direct and indirect routes.

Society is one of the main beneficiaries of our research whether that be the direct benefits to health and wellbeing from our Medical and Scientific research or to the cultural and social benefits derived from our Arts and Humanities and Social Sciences research. Society also benefits from our highly qualified graduates and the wide range of career choices supported by their skills.

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, in some cases capped at the level set by government, and for other out of pocket expenses but does also provide a wide range of bursaries and scholarships together with hardship funds and other means of support where the need is greatest.

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 access and participation to students who might not otherwise benefit. To that end the University is committed to encouraging people from geographic areas and demographics 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.

Public benefit statement (continued)

Specifically, as we all face the challenges of the increased cost of living, we have undertaken a number of initiatives to assist our community. One of the most well received and impactful of these was the provision of a supper club where food was provided at cost price with the staff costs of providing these meals absorbed by the University.

UEA employs nine 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 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

Public benefit statement (continued)

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 so 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

Opinion

We have audited the financial statements of the University of East Anglia ("the University") for the year ended 31 July 2023 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 2023, 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:

- 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 Council and relevant Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships or transactions.

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

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 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 also identified a fraud risk related to the manipulation of non-payroll and non-depreciation expenditure and liabilities either by carrying expenditure forward into next year, to increase current year performance, or bring expenditure back into this year to increase performance next year. This is in response to the pressures on the University to save costs both in the current year and future periods in order to continue meeting their debt covenants.

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, expenditure or cash where the other side was to an unusual account.
- For a sample of expenditure recognised in the period 1 July 2023 to 1st November 2023, we have assessed whether the expenditure had been recognised in the appropriate accounting period by confirming the date of delivery of the relevant good or service;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- For a sample of research projects, we determined whether expenditure was in line with the terms and conditions of the relevant contract, to assess whether associated income was included in the correct period and accounted for in accordance with the requirements of the relevant accounting standards.

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.

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.

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

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 Business review, the Corporate Governance Statement, and the Public Benefit Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council responsibilities

As explained more fully in its statement set out on page 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.

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.

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

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
20 Station Road
Cambridge
CB1 2JD

[Date]

Consolidated and University Statement of Comprehensive Income and Expenditure for the year ended 31 July 2023

	Note	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
Income					
Tuition fees and education contracts	1	164,180	164,180	167,634	167,634
Funding body grants	2	50,122	50,122	41,145	41,145
Research grants and contracts	3	55,559	34,229	53,045	30,228
Other income	4	68,658	60,469	55,448	52,537
Investment income	5	1,571	817	448	301
Donations and endowments	6	5,416	5,153	3,708	3,638
Total income		345,506	314,970	321,428	295,483
Expenditure					
Staff costs - excluding movement on USS provision	7	198,550	184,563	191,254	177,312
Staff costs - movement on USS provision ^p	7	(24,068)	(24,068)	60,224	60,224
Other operating expenses		120,810	109,679	107,305	97,208
Depreciation and amortisation	12/13	35,123	33,404	31,506	29,942
Interest payable and other finance costs	8	8,645	8,645	5,293	5,293
Total expenditure	9	339,060	312,223	395,582	369,979
Surplus/(expense) before other gains/losses and share of operating surplus/deficit of joint ventures		6,446	2,747	(74,154)	(74,496)
(Loss)/gain on investments		(532)	(162)	53	(421)
Share of operating loss in joint ventures	16	-	-	-	-
Surplus/(expense) before taxation		5,914	2,585	(74,101)	(74,917)
Taxation	11	-	-	(11)	-
Surplus/(expense) for the year^a		5,914	2,585	(74,112)	(74,917)
Actuarial (loss)/gain in respect of pension schemes	21	(5,332)	(5,332)	24,134	24,134
Total comprehensive surplus/(expense) for the year		582	(2,747)	(49,978)	(50,783)
Represented by:					
Endowment comprehensive income for the year		474	474	284	284
Restricted comprehensive income for the year		(822)	902	2,498	452
Unrestricted comprehensive (expense)/surplus for the year		930	(4,123)	(52,760)	(51,519)
		582	(2,747)	(49,978)	(50,783)
Surplus/(expense) for the year attributable to:					
Non controlling interest		8	-	(8)	-
University		5,906	2,585	(74,104)	(74,917)
Total comprehensive surplus/(expense) for the year attributable to:					
Non controlling interest		8	-	(8)	-
University		574	(2,747)	(49,970)	(50,783)

All items of income and expenditure relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

Isolated effect of USS Pension Provision Movement					
^a Surplus/(expense) for the year		5,914	2,585	(74,112)	(74,917)
^b Movement on the USS provision		(24,068)	(24,068)	60,224	60,224
(Expense) for the year with USS provision movement removed		(18,154)	(21,483)	(13,888)	(14,693)

Consolidated and University Statements of Changes in Reserves for the year ended 31 July 2023

	Income and expenditure reserves			Total excluding Non controlling interest £000	Non controlling interest £000	Total reserves £000
	Endowment £000	Restricted £000	Unrestricted £000			
Consolidated						
Balance at 1 August 2021	12,928	20,628	341,644	375,200	72	375,272
(Expense)/surplus from the income and expenditure statement	284	5,337	(79,725)	(74,104)	(8)	(74,112)
Other comprehensive expense (note 21)	-	-	24,134	24,134	-	24,134
Release of restricted funds spent in the year	-	(2,839)	2,839	-	-	-
Total comprehensive surplus/(expense) for the year	284	2,498	(52,752)	(49,970)	(8)	(49,978)
Balance at 1 August 2022 and 31 July 2022	13,212	23,126	288,892	325,230	64	325,294
(Expense)/surplus from the income and expenditure statement	474	3,957	1,475	5,906	8	5,914
Other comprehensive expense (note 21)	-	-	(5,332)	(5,332)	-	(5,332)
Release of restricted funds spent in the year	-	(4,779)	4,779	-	-	-
Total comprehensive surplus for the year	474	(822)	922	574	8	582
Balance at 31 July 2023	13,686	22,304	289,814	325,804	72	325,876
University						
Balance at 1 August 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/(expense) for the year	284	452	(51,519)	(50,783)	-	(50,783)
Balance at 1 August 2022 and 31 July 2022	13,212	17,205	240,832	271,249	-	271,249
(Expense)/surplus from the income and expenditure statement	474	2,221	(110)	2,585	-	2,585
Other comprehensive expense (note 21)	-	-	(5,332)	(5,332)	-	(5,332)
Release of restricted funds spent in the year	-	(1,319)	1,319	-	-	-
Total comprehensive surplus for the year	474	902	(4,123)	(2,747)	-	(2,747)
Balance at 31 July 2023	13,686	18,107	236,709	268,502	-	268,502

The accompanying notes form an integral part of the financial statements.

Consolidated and University Statement of Financial Position as at 31 July 2023

	Note	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
Non-current assets					
Intangible assets	12	39	-	51	-
Fixed assets	13	550,520	526,415	544,236	523,936
Heritage assets	13/14	16,962	16,962	15,599	15,599
Investments	15	17,693	19,486	18,200	19,605
Investment in joint venture	16	-	-	-	-
		<u>585,214</u>	<u>562,863</u>	<u>578,086</u>	<u>559,140</u>
Current assets					
Stock		814	802	1,083	1,043
Trade and other receivables	17	52,135	42,971	38,987	33,536
Investments	18	9,500	-	24,000	12,000
Cash and cash equivalents	24	49,108	27,276	51,181	31,579
		<u>111,557</u>	<u>71,049</u>	<u>115,251</u>	<u>78,158</u>
Less - Creditors: amounts falling due within one year	19	<u>(140,675)</u>	<u>(135,280)</u>	<u>(119,033)</u>	<u>(117,130)</u>
Net current (liabilities)/assets		<u>(29,118)</u>	<u>(64,231)</u>	<u>(3,782)</u>	<u>(38,972)</u>
Total assets less current liabilities					
		<u>556,096</u>	<u>498,632</u>	<u>574,304</u>	<u>520,168</u>
Creditors: amounts falling due after more than one year	20	<u>(137,080)</u>	<u>(136,990)</u>	<u>(139,221)</u>	<u>(139,130)</u>
Provisions					
Pension provisions	21	<u>(93,140)</u>	<u>(93,140)</u>	<u>(112,240)</u>	<u>(112,240)</u>
Pension surplus	21	<u>-</u>	<u>-</u>	<u>2,451</u>	<u>2,451</u>
Total net assets		<u><u>325,876</u></u>	<u><u>268,502</u></u>	<u><u>325,294</u></u>	<u><u>271,249</u></u>
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	13,686	13,686	13,212	13,212
Income and expenditure reserve - restricted reserve	23	22,304	18,107	23,126	17,205
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		289,814	236,709	288,892	240,832
		<u>325,804</u>	<u>268,502</u>	<u>325,230</u>	<u>271,249</u>
Non-controlling interest		72	-	64	-
Total Reserves		<u><u>325,876</u></u>	<u><u>268,502</u></u>	<u><u>325,294</u></u>	<u><u>271,249</u></u>

The accompanying notes form an integral part of the financial statements.

The Financial Statements on pages 22 to 55 were approved by the Council on 28 November 2023 and were signed on its behalf on that date by:

David Maguire
Vice-Chancellor

Sally Howes
Chair of Council

Jason Brown
Director of Finance

Consolidated Cash Flow Statement for the year ended 31 July 2023

	Note	2023 £000	2022 £000
Cash flow from operating activities			
Surplus/(expense) for the year		5,914	(74,101)
Adjustment for non-cash items			
Depreciation and amortisation	12/13	35,123	31,506
(Release) of provision on fixed asset investments	15	(596)	(41)
Loss/(gain) on investments	15	532	(53)
Decrease/(increase) in stocks		269	(547)
(Increase) in debtors	17	(13,149)	(6,209)
Increase in creditors	19	16,496	3,663
(Decrease)/increase in pension provision	21	(21,981)	61,580
Release of lease variation payment		(613)	(931)
Share of operating loss in joint venture	16	-	-
Adjustment for investing or financing activities			
Investment income	5	(1,571)	(448)
Interest payable	8	4,930	4,517
Endowment income	6	(2,786)	(2,310)
Donation of artwork		(1,363)	(181)
(Gain)/loss on the disposal of fixed assets		(36)	114
Capital grant income	2/3/4	(12,307)	(2,814)
Cash inflow from operating activities		8,862	13,745
Taxation		-	(11)
Net cash inflow from operating activities		8,862	13,734
Cash flows from investing activities			
Capital grant receipts		12,175	2,682
Investment income		1,571	448
Payments to acquire fixed assets		(40,898)	(26,859)
(New) non-current asset investments		571	(435)
(New) deposits		14,500	(12,500)
		(12,081)	(36,664)
Cash flows from financing activities			
Interest paid		(4,930)	(4,516)
Interest element of finance lease		-	(1)
Endowment cash received		2,786	2,310
Repayments of amounts borrowed		(2,068)	(17,014)
Lease variation payment		5,375	25,825
Capital element of finance lease payments		(17)	(16)
		1,146	6,588
(Decrease) in cash and cash equivalents in the year		(2,073)	(16,342)
Cash and cash equivalents at beginning of year		51,181	67,523
Cash and cash equivalents at end of year		49,108	51,181

The accompanying notes form an integral part of the financial statements.

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 more than 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Council is of the opinion that, taking account – the achieved savings identified for 2023/24, change in the mix of students recruited, student recruitment costs, inflationary pressures on pay, pensions, estates 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, whilst the University fell short of entry targets for 2023/24, due to a change in the mix between home and international students carrying a higher fee rate, the financial target has been achieved. The University Council has approved a budget deficit of £15.5m for 2023/24 providing cash headroom of £11.4m in relation to covenants linked to its loans. Included are the achieved savings of £30.1m for 2023/24 and the associated costs of delivering those savings. Further impact on the University has been the impact of inflationary pressures on pay of c6% for 2023/24, whilst a decision was made to defer the payment of the uplift by eleven months, the University has been able to bring part of the pay deferral forward. The volatility in the energy markets is calming, and against the provisions built into the Universities long term financial plan, rates for 2024 are now tracking significantly lower, which will provide a financial upside. Further

Statement of Principal Accounting Policies (continued)

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. As with many other HE Institutions, the University is also managing its exposure to reinforced autoclaved aeriated concrete (RAAC) and has absorbed the loss of net income in the current year.

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 RAAC in 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.

Statement of Principal Accounting Policies (continued)

11. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the 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.

Statement of Principal Accounting Policies (continued)

16. Stock

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

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.

Statement of Principal Accounting Policies (continued)

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 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.

Statement of Principal Accounting Policies (continued)

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.

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 arise 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

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
1 Tuition fees and education contracts				
Full-time students	107,078	107,078	115,317	115,317
Full-time students charged overseas fees	41,306	41,306	37,775	37,775
Part-time fees	4,924	4,924	3,550	3,550
Short course fees	540	540	254	254
Other teaching contracts	6,822	6,822	7,424	7,424
Research training support grants	3,510	3,510	3,314	3,314
	164,180	164,180	167,634	167,634

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
2 Funding body grants				
Recurrent grant				
Office for Students ("OfS") - teaching	15,453	15,453	13,858	13,858
UK Research and Innovation ("UKRI") - research	23,000	23,000	19,447	19,447
Specific grants				
Higher Education Innovation Fund ("UKRI") - other	3,916	3,916	3,855	3,855
UK Research and Innovation ("UKRI") - special	3,062	3,062	1,077	1,077
Office for Students ("OfS") - special	529	529	748	748
Office for Students ("OfS") - capital grants	150	150	30	30
UK Research and Innovation ("UKRI") - capital grants	4,012	4,012	2,130	2,130
	50,122	50,122	41,145	41,145

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
3 Research grants and contracts				
Research councils	26,831	15,772	23,824	13,254
Research charities	13,363	5,216	10,945	4,395
Government (UK and overseas)	12,771	11,447	15,464	10,695
Industry and commerce	1,271	586	1,480	684
Other	1,323	1,208	1,332	1,200
	55,559	34,229	53,045	30,228

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

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
Grant income from the OfS	16,132	16,132	14,636	14,636
Grant income from other bodies	33,990	33,990	26,509	26,509
Fee income for research awards (exclusive of VAT)	3,731	3,731	3,904	3,904
Fee income from non-qualifying courses (exclusive of VAT)	4,050	4,050	3,568	3,568
Fee income for taught awards (exclusive of VAT)	156,399	156,399	160,162	160,162
	214,302	214,302	208,779	208,779

Notes to the Financial Statements (continued)

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
4 Other income				
Residences, catering and conferences	30,878	30,878	26,239	26,239
Other services rendered	7,647	4,025	7,385	3,459
Other capital grants	6,359	495	292	292
Other income	23,774	25,071	21,532	22,547
	<u>68,658</u>	<u>60,469</u>	<u>55,448</u>	<u>52,537</u>

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
5 Investment income				
Investment income on endowments (Note 22)	292	292	186	186
Other investment income	1,279	525	262	115
	<u>1,571</u>	<u>817</u>	<u>448</u>	<u>301</u>

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
6 Donations and endowments				
New endowments (Note 22)	2,786	2,786	2,310	2,310
Donations with restrictions (Note 23)	2,221	2,221	1,212	1,212
Unrestricted donations	409	146	186	116
	<u>5,416</u>	<u>5,153</u>	<u>3,708</u>	<u>3,638</u>

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
7 Staff costs				
Wages and salaries	153,728	142,553	146,105	135,018
Social security costs	14,709	13,509	14,148	12,865
Apprenticeship levy	668	644	662	624
Movement on USS provision	(24,068)	(24,068)	60,224	60,224
Other pension costs (Note 27)	29,445	27,857	30,339	28,805
	<u>174,482</u>	<u>160,495</u>	<u>251,478</u>	<u>237,536</u>

Emoluments of the Vice-Chancellors (there being three post holders during the year under review):

	2023 £000	2022 £000
1 August 2022 to 23 February 2023		
Salary	218	283
Payment in lieu of notice	97	-
Holiday pay	9	-
Salary and benefits	<u>324</u>	<u>283</u>
Pension contribution	47	53
	<u>371</u>	<u>336</u>

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Emoluments of the Vice-Chancellor (continued)

	2023 £000	2022 £000
23 February 2023 to 21 May 2023		
Salary	51	-
Salary and benefits	51	-
Pension contribution	11	-
	62	-
22 May 2023 to 31 July 2023		
Salary	66	-
Salary and benefits	66	-
Pension contribution	-	-
	66	-

Professor David Richardson stood down from the post of Vice-Chancellor on 23 February 2023. In line with his contract, Professor Richardson received a payment of six months salary, calculated from 23 February 2023, in lieu of notice. Professor Christine Bovis-Crossen, Deputy Vice-Chancellor and Provost, became Acting Vice-Chancellor on 23 February 2023 until Professor David Maguire took up the role of Vice-Chancellor on 22 May 2023.

The Senior Officers' Remuneration Committee (SORC) continued with their policy of limiting additional salary increases (over and above any national pay awards) to only cases where responsibilities had changed, or salaries were significantly adrift from benchmark. Professor Richardson received only the national pay award. In recognition of her additional responsibility the Acting Vice-Chancellor received an uplift, approved by SORC, equivalent to 50% of the difference between her substantive salary and that of the former Vice-Chancellor. Professor Maguire received a total salary package matching that of the former Vice-Chancellor in accordance with the terms of his appointment approved by SORC. In reaching these terms with Professor Maguire, SORC considered the market for such appointments (including the number and quality of appropriate candidates), and the considerable financial challenges being faced by the University. Professor Maguire has been set initial challenging objectives which include addressing the financial challenges; performance against these will be reviewed alongside other factors such as benchmarking against similar institutions' leaders at any future SORC meeting where his remuneration package is considered.

The Vice-Chancellor is a member of the board of Anglia Innovation Partnership LLP which is a non-remunerated role. Professor Richardson was a member of the Board of Advance HE. This role was non-remunerated. Professor Maguire is a board member of LearningMate and the owner/director of Amicombe Ltd, an HE consultancy company. Both roles are remunerated and pre-date Professor Maguire's employment with UEA and are approved by the Chair of Council.

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.

Median pay calculation for the Vice-Chancellors in post during the period of review

Ratio of Vice-Chancellors' basic salary to 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:

Vice-Chancellor in post	2023	2022
1 August 2022 to 23 February 2023	10.4 times	12.7 times
23 February 2023 to 21 May 2023	8.0 times	-
22 May 2023 to 31 July 2023	10.0 times	-

Excluding student workers who could be paid through a third party

Vice-Chancellor in post	2023	2022
1 August 2022 to 23 February 2023	10.4 times	11.7 times
23 February 2023 to 21 May 2023	8.0 times	-
22 May 2023 to 31 July 2023	10.0 times	-

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Median pay calculation for the Vice-Chancellors in post during the period of review (continued)

Ratio of Vice-Chancellors' total remuneration to the median pay of staff where the median pay is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff:

Vice-Chancellor in post	2023	2022
1 August 2022 to 30 April 2023	10.8 times	12.8 times
26 February 2023 to 21 May 2023	8.1 times	-
22 May 2023 to 31 July 2023	8.7 times	-

Excluding student workers who could be paid through a third party

Vice-Chancellor in post	2023	2022
1 August 2022 to 30 April 2023	10.8 times	11.4 times
26 February 2023 to 21 May 2023	8.1 times	-
22 May 2023 to 31 July 2023	8.7 times	-

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

	2023 Consolidated	2023 University	2022 Consolidated	2022 University
	Number of staff		Number of staff	
£100,000 - £104,999	8	8	8	7
£105,000 - £109,999	9	7	10	8
£110,000 - £114,999	6	4	4	4
£115,000 - £119,999	5	5	8	5
£120,000 - £124,999	4	3	4	4
£125,000 - £129,999	7	6	10	9
£130,000 - £134,999	5	5	2	-
£135,000 - £139,999	1	1	1	-
£140,000 - £144,999	5	3	5	4
£145,000 - £149,999	1	1	3	3
£150,000 - £154,999	-	0	4	3
£155,000 - £159,999	5	4	2	2
£160,000 - £164,999	1	1	1	1
£165,000 - £169,999	2	2	1	-
£170,000 - £174,999	1	1	3	1
£175,000 - £179,999	2	1	-	-
£180,000 - £184,999	1	-	-	-
£185,000 - £189,999	2	2	-	-
£205,000 - £209,999	1	-	-	-
£225,000 - £229,999	1	-	-	-
£235,000 - £239,999	1	-	-	-
£240,000 - £244,999	1	-	-	-
£250,000 - £254,999	-	-	1	-
	69	54	67	51

Average staff numbers by category:

	2023 Consolidated	2023 University	2022 Consolidated	2022 University
	Number of staff		Number of staff	
Academic	1,268	1,268	1,231	1,231
Associate tutors	543	543	457	457
Research and analogous	484	296	515	315
Secretarial and clerical	879	870	888	878
Technical	235	196	233	193
Admin, senior library and computing	630	606	604	580
Others	482	472	484	473
	4,521	4,251	4,412	4,127

Notes to the Financial Statements (continued)

7 Staff costs (continued)

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.

	2023	2022
	£000	£000
Key management personnel compensation (12 employees, 2022: 10 employees)	2,174	1,813

Severance payments

In February 2023 the University opened up a new voluntary severance scheme as part of a planned efficiency review. During the year the Group paid compensation for loss of office of £1,215,000 (2022: £1,229,000) to 103 employees (2022: 110 employees).

Council Members

During the year the University paid £30,000 in remuneration to the Chair of Council (2022: £30,000). Expenses paid to Independent Members of Council acting in that role during the year were £4,000 (2022: £3,000).

8 Interest payable and other finance costs

	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Bank interest	4,930	4,930	4,516	4,516
Finance lease interest	-	-	1	1
Net interest charge on pension liability (Note 27)	3,715	3,715	776	776
	8,645	8,645	5,293	5,293

9 Analysis of total expenditure by activity

	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Academic and related expenditure	157,726	158,872	145,382	146,330
Administration and central services	81,661	72,295	75,961	67,864
Premises	42,476	42,602	40,879	40,886
Residences, catering and conferences	24,267	24,267	24,249	24,249
Research grants and contracts	45,930	25,548	42,804	22,401
Other expenses *	(13,000)	(11,361)	66,307	68,249
	339,060	312,223	395,582	369,979

* Other expenses includes the movement on the USS pension provision (Note 27)

Other operating expenses include:

External auditors' remuneration in respect of audit services	167	166	146	131
External auditors' remuneration in respect of non-audit services	19	19	21	21
Operating lease rentals:				
Land and buildings	279	279	279	279
Other	86	86	86	86
Impairment of trade receivables	2,549	2,549	224	224

10 Access and Participation

	2023	2022
	Consolidated and University	£000
	£000	£000
Access Investment (i)	3,162	3,134
Financial Support (ii)	3,235	3,815
Disability (iii)	3,695	2,757
Research and Evaluation (iv)	890	769
	10,982	10,475

Notes to the Financial Statements (continued)

10 Access and Participation (continued)

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 £3,243,871 on impactful access activity in 2022/23 in its APP 2020/21 to 2024/25. The slight (3%) underspend is due to some established programmes now being delivered by internal staff rather than paying external providers to deliver. In addition some UEA roles have been vacant for an extended period due to a wider institutional recruitment freeze.

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 £3,844,160 in 2022/23. The underspend (16%) is the cumulative effect of a smaller than predicted cohort of students in 21/22 and again in 22/23. All eligible students received financial support.

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 2022/23 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, partly driven by the increase in the proportion of students with a disability studying at UEA.

Research and Evaluation - 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 £971,782 in 2022/23. There is a small (8%) underspend this year which demonstrates an increase in spending and activity on research and evaluation compared to the previous two years where covid impacted this area of work.

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% (2022: 19.0%). The differences are explained below:

	2023 Consolidated £000	2022 Consolidated £000
Surplus/(deficit) before taxation	5,914	(74,101)
UK corporation tax at 19.0% (2022: 19.0%)	1,124	(14,079)
Effects of:		
Surpluses not subject to corporation tax	(1,124)	14,090
	<u>-</u>	<u>(11)</u>

12 Intangible assets

Website

	2023 Consolidated £000
As at 1 August 2022	51
Amortisation charge for the year	(12)
	<u>39</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
Consolidated	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 August 2022	651,263	19,064	92,154	1,348	15,599	779,428
Additions at cost	4,449	14,110	18,127	4,673	1,363	42,722
Transfers	10,373	(10,373)	1,092	(1,092)	-	-
Disposals	297	-	(5,657)	-	-	(5,360)
At 31 July 2023	666,382	22,801	105,716	4,929	16,962	816,790
Consisting of:						
Valuation as at 31 July 2014	416,821	-	-	-	-	416,821
Cost	249,561	22,801	105,716	4,929	16,962	399,969
At 31 July 2023	666,382	22,801	105,716	4,929	16,962	816,790
Accumulated depreciation						
At 1 August 2022	151,064	-	68,529	-	-	219,593
Charge for the year	20,348	-	14,763	-	-	35,111
Eliminated on disposals	170	-	(5,566)	-	-	(5,396)
At 31 July 2023	171,582	-	77,726	-	-	249,308
Net book value						
At 31 July 2023	494,800	22,801	27,990	4,929	16,962	567,482
At 31 July 2022	500,199	19,064	23,625	1,348	15,599	559,835

	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
University	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 August 2022	635,908	19,064	69,966	725	15,599	741,262
Additions at cost	4,449	14,106	16,112	1,216	1,363	37,246
Transfers	10,373	(10,373)	709	(709)	-	-
Disposals	-	-	(2,590)	-	-	(2,590)
At 31 July 2023	650,730	22,797	84,197	1,232	16,962	775,918
Consisting of:						
Valuation as at 31 July 2014	416,821	-	-	-	-	416,821
Cost	233,909	22,797	84,197	1,232	16,962	359,097
At 31 July 2023	650,730	22,797	84,197	1,232	16,962	775,918
Accumulated depreciation						
At 1 August 2022	149,694	-	52,033	-	-	201,727
Charge for the year	20,096	-	13,308	-	-	33,404
Eliminated on disposals	-	-	(2,590)	-	-	(2,590)
At 31 July 2023	169,790	-	62,751	-	-	232,541
Net book value						
At 31 July 2023	480,940	22,797	21,446	1,232	16,962	543,377
At 31 July 2022	486,214	19,064	17,933	725	15,599	539,535

Notes to the Financial Statements (continued)

13 Fixed assets (continued)

At 31 July 2023, freehold land and buildings included £53.1m (2022 - £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	
	2023	2022
	£000	£000
Cost	1,886	1,886
Accumulated depreciation	(1,769)	(1,765)
Charge for the year	(4)	(4)
Net book value	113	117

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 which expired in August 2022.

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:

	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000
Acquisitions by donation	1,363	181	34	1,885	29

15 Non-Current Investments

Consolidated	Subsidiary investment in spinouts	Other fixed asset investments	Total
£000	£000	£000	£000
At 1 August 2022	1,337	16,863	18,200
Additions	-	1,572	1,572
Disposals	(1,887)	(256)	(2,143)
Release of provision on Disposal	596	-	596
Increase in value	-	(532)	(532)
At 31 July 2023	46	17,647	17,693

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 2022	4,930	1,274	13,401	19,605
Additions	-	-	1,573	1,573
Disposals/dissolved	-	(1,274)	(256)	(1,530)
Additional provisions made	-	-	-	-
Decrease in value	-	-	(162)	(162)
At 31 July 2023	4,930	-	14,556	19,486

Other investments comprise :

	Consolidated	University
	£000	£000
CVCP Properties PLC	35	35
Plant Biosciences Limited	1,623	-
Norfolk Plant Sciences Limited	42	-
Norwich Research Park LLP	833	833
Investments held for the Low Carbon Innovation Fund	5,701	5,701
Investments held for Endowment Funds	7,987	7,987
Barclays Wealth Fund	1,392	-
Programme related investments	34	-
	17,647	14,556

The following companies were 100% owned or controlled subsidiary undertakings at 31 July 2023:

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 2023:

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 2023		Year ended 31 July 2022	
	£000	£000	£000	£000
Income and expenditure account				
Income		4,487		4,819
Expense before tax		(2,109)		(1,580)
Balance sheet				
Fixed assets		539		553
Current assets	3,152		3,819	
Creditors: amounts due within one year	(4,441)		(4,975)	
		(1,289)		(1,156)
Creditors: amounts falling due after more than one year		(3,500)		(3,500)
Share of net assets		(4,250)		(4,103)

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

Notes to the Financial Statements (continued)

17 Trade and other receivables	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Amounts falling due in more than one year	724	-	1,244	-
Research grants receivable	8,669	5,480	7,486	5,270
Other trade receivables	34,384	25,540	22,551	20,826
Interest receivable	-	-	-	-
Prepayments and accrued income	8,358	6,560	7,706	5,509
Amounts due from subsidiary companies	-	5,391	-	1,931
	<u>52,135</u>	<u>42,971</u>	<u>38,987</u>	<u>33,536</u>

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 2023, £350k 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 :	5,675	5,658	3,126	3,109
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18 Current investments	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Short term deposits	9,500	-	24,000	12,000
	<u>9,500</u>	<u>-</u>	<u>24,000</u>	<u>12,000</u>

At 31 July for these fixed term deposits				
The weighted average interest rate :	4.59%	-	1.21%	0.87%
The remaining weighted average period for which the interest rate is fixed:	9	-	6	5

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	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Bank loans	2,124	2,124	2,068	2,068
Obligations under finance leases	16	16	16	16
Trade creditors	21,163	19,726	13,516	12,232
Capital creditors	4,430	4,430	3,969	3,969
Other taxation and social security	4,259	4,136	4,393	4,213
Accruals and deferred income	108,683	94,389	95,071	82,519
Amounts due to subsidiary companies	-	10,459	-	12,113
	<u>140,675</u>	<u>135,280</u>	<u>119,033</u>	<u>117,130</u>

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:

	2023	2023	2022	2022
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Donations and endowments	304	304	290	290
Research grants received on account	22,473	14,844	22,258	16,666
Lease variation payment	29,655	29,655	24,894	24,894
Grant income	6,589	6,589	7,484	7,484
	<u>59,021</u>	<u>51,392</u>	<u>54,926</u>	<u>49,334</u>

Notes to the Financial Statements (continued)

20 Creditors: amounts falling due after more than one year

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
Bank loans	29,080	28,990	31,205	31,114
Private Placement loans	108,000	108,000	108,000	108,000
Obligations under finance leases	-	-	16	16
	<u>137,080</u>	<u>136,990</u>	<u>139,221</u>	<u>139,130</u>

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

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
Due within one year or less	2,124	2,124	2,068	2,068
Due between one and two years	2,182	2,182	2,124	2,124
Due between two and five years	6,907	6,907	6,724	6,724
Due in five years or more	127,991	127,901	130,356	130,265
	<u>139,204</u>	<u>139,114</u>	<u>141,272</u>	<u>141,181</u>

The net finance lease obligations are as follows :

	2023 Consolidated £000	2023 University £000	2022 Consolidated £000	2022 University £000
Due within one year or less	16	16	16	16
Due between one and two years	-	-	16	16
Due between two and five years	-	-	1	1
	<u>16</u>	<u>16</u>	<u>33</u>	<u>33</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	31,114	20 years	2.7%	University
HSBC	90	-	-	Iceni Seedcorn LLP
	<u>139,204</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

<u>Pension provision</u>	Consolidated and University UEASSS pension		Total Pensions Provisions £000
	Obligation to fund deficit on USS pension £000	scheme provision/ (surplus)	
At 1 August 2022	112,240	(2,451)	109,789
Movement in the year	(20,352)	3,703	(16,649)
Provision at 31 July 2023	91,888	1,252	93,140

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:

	2023
Discount rate	5.52%
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 set out below:

Change in assumptions at 31 July 2023	Approximate impact £000
0.5% pa decrease in discount rate	3,330
0.5% pa increase in salary inflation over	3,415
0.5% pa increase in salary inflation year	435
0.5% increase in staff changes over	3,249
0.5% increase in staff changes year 1	439
1% increase in deficit contributions	13,825

UEASSS provision

The University operates a defined benefits person, 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).

Notes to the Financial Statements (continued)

22 Endowment Reserves

	Consolidated and University			2023	2022
	Restricted Permanent £000	Unrestricted Permanent £000	Expendable £000	Total £000	Total £000
Balance at 1 August 2022					
Capital	3,552	17	8,484	12,053	12,117
Accumulated income	734	4	420	1,158	811
	<u>4,286</u>	<u>21</u>	<u>8,904</u>	<u>13,211</u>	<u>12,928</u>
New endowments	11	-	2,775	2,786	2,310
Investment income	158	1	133	292	186
Expenditure	(57)	(1)	(2,383)	(2,441)	(1,791)
	<u>101</u>	<u>-</u>	<u>(2,250)</u>	<u>(2,149)</u>	<u>(1,605)</u>
(Decrease)/increase in market value of investments	(190)	-	28	(162)	(421)
Balance at 31 July 2023	<u>4,208</u>	<u>21</u>	<u>9,457</u>	<u>13,686</u>	<u>13,212</u>
Represented by					
Capital	3,373	17	8,979	12,369	12,053
Accumulated income	835	4	478	1,317	1,159
	<u>4,208</u>	<u>21</u>	<u>9,457</u>	<u>13,686</u>	<u>13,212</u>

	Consolidated and University			2023	2022
	Restricted Permanent £000	Unrestricted Permanent £000	Expendable £000	Total £000	Total £000
Analysis by type of purpose					
Lectureships	111	-	2	113	111
Scholarships and bursaries	3,239	-	1,251	4,490	4,475
Research support	-	-	49	49	337
Prize funds	799	21	96	916	917
Other	59	-	8,059	8,118	7,372
	<u>4,208</u>	<u>21</u>	<u>9,457</u>	<u>13,686</u>	<u>13,212</u>
Analysis by asset					
Investments				7,565	6,626
Cash in transit				422	-
Cash and cash equivalents				5,699	6,586
				<u>13,686</u>	<u>13,212</u>

Notes to the Financial Statements (continued)

23 Restricted Reserves

Reserves with restrictions are as follows:

	Grants	Donations	2023	2022
	£000	£000	Total	Total
			£000	£000
Balances at 1 August 2022	5921	17,205	23,126	20,628
New donations	1,736	2,221	3,957	5,337
New grants received				
Expenditure	(3,460)	(1,319)	(4,779)	(2,839)
Balances at 31 July 2023	<u>4,197</u>	<u>18,107</u>	<u>22,304</u>	<u>23,126</u>

	University		2023	2022
	Donations	Total	Total	Total
	£000	£000	£000	£000
Balances at 1 August 2022	17,205	17,205	17,205	16,753
New donations	2,221	2,221	2,221	1,212
Expenditure	(1,319)	(1,319)	(1,319)	(760)
Balances at 31 July 2023	<u>18,107</u>	<u>18,107</u>	<u>18,107</u>	<u>17,205</u>

Analysis of donations by type of purpose:

Scholarships and bursaries	1,256	1,270
Research support	-	12
Prize funds	115	227
Capital	16,524	15,428
Other	212	268
	<u>18,107</u>	<u>17,205</u>

24 Consolidated cash and cash equivalents

	£000
As at 1 August 2022	51,181
Cash flows	(2,073)
As at 31 July 2023	<u>49,108</u>

25 Consolidated reconciliation of net debt

	£000
Net debt 1 August 2022	90,124
Movement in cash and cash equivalents	(2,073)
Other non-cash changes	2,061
Net debt 31 July 2023	<u>90,112</u>
Change in net debt	<u>(12)</u>

Notes to the Financial Statements (continued)

25 Consolidated reconciliation of net debt (continued)

Analysis of net debt:	2023	2022
	£000	£000
Cash and cash equivalents	49,108	51,181
Borrowings: amounts falling due within one year		
Unsecured loans	2,124	2,068
Obligations under finance leases	16	16
	2,140	2,084
Borrowings: amounts falling due after more than one year		
Unsecured loans	137,080	139,205
Obligations under finance lease	-	16
	137,080	139,221
Net debt	90,112	90,124

26 Capital commitments

At 31 July 2023 the Group had outstanding commitments for capital expenditure of £12,871,000 (2022: £10,929,000).

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 £25,399,000 (2022: £25,228,000).

Deficit recovery contributions due within one year by the University are £7,638,000 (2022: £7,409,000).

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:	2023	2022
	valuation	valuation
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

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 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following

	2023	2022
Discount rate	3.31%	3.31%
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 2023 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.

Results of the full actuarial valuation of the Scheme as at 31 July 2021 have been updated to 31 July 2023 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	31 July 2023	31 July 2022
Weighted-average assumptions to determine defined benefit obligation		
Discount rate	5.20%	3.50%
Salary increase rate	3.35%	3.35%
Pensions-in-payment increase rate	2.80%	2.80%
Price Inflation rate (CPI)	2.70%	2.70%
Post retirement mortality assumption	<p>Non-pensioners: 116% of S3PMA (males) and 106% of S3PFA_middle (females)</p> <p>Pensioners: 110% of S3PMA (males) and 100% of S3PFA_middle (females)</p> <p>CMI_2022 with a long term rate of improvement of 1.25% p.a. with core parameters i.e. a smoothing parameter (s kappa) of 7.0, initial addition parameter of zero, no weight to 2020 and 2021 data and 25% weight to 2022 data</p>	<p>Non-pensioners: 120% of S3PMA (males) and 109% of S3PFA_middle (females)</p> <p>Pensioners: 113% of S3PMA(males) and 103% of S3PFA_middle (females)</p> <p>CMI_2021 with a long term rate of improvement of 1.25% p.a., a smoothing parameter (s-kappa) of 7.5 and initial addition parameter of zero. No weight applied to 2020 and 2021 data</p>
Assumed life expectancy on retirement at age 63		
Retiring today (member age 63)	22.5(M)/ 25.2(F)	23.1(M)/ 25.6(F)
Retiring in 20 years (member age 43 today)	23.5(M)/ 26.3 (F)	24.0(M)/ 26.7 (F)

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 2023 £000	Value at 31 July 2022 £000
The assets in the scheme were:		
Equity and Property	51,671	60,769
Bonds and Cash	53,436	75,061
Fair value of scheme assets	<u>105,107</u>	<u>135,830</u>
The actual return on assets over the year was	(28,225)	(25,885)
Define benefit obligation	108,343	133,379
Fair value of scheme assets	<u>105,107</u>	<u>135,830</u>
Net defined benefit (asset)/liability	<u>(3,236)</u>	<u>2,451</u>

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2023 £000	2022 £000
Benefit obligation at the beginning of the year	133,379	184,236
Current service cost	1,599	3,629
Interest cost	4,569	3,091
Contributions by scheme participants	70	62
Actuarial (gains)	(25,618)	(52,807)
Benefits paid	(5,656)	(4,832)
Liabilities at the end of the year	<u>108,343</u>	<u>133,379</u>

Reconciliation of opening and closing balances of the fair value of scheme assets	2023 £000	2022 £000
Fair value of scheme assets at the beginning of the year	135,830	163,460
Interest income on scheme assets	4,709	2,764
Return on assets, excluding interest income	(32,934)	(28,673)
Contribution by employers	3,384	3,473
Contribution by scheme participants	70	62
Benefits paid	(5,656)	(4,832)
Scheme administrative cost	(296)	(424)
Fair value of scheme assets at the end of year	<u>105,107</u>	<u>135,830</u>

The amounts recognised in comprehensive income and expenditure:	2023 £000	2022 £000
Service cost - including current service costs, past service costs and settlements	1,599	3,629
Service cost - administrative cost	296	424
Net interest on the net defined benefit liability	(140)	327
	<u>1,755</u>	<u>4,380</u>

Remeasurements of the net defined benefit liability	2023 £000	2022 £000
Actuarial (gains) on the liabilities	(25,618)	(52,807)
Return on assets, excluding interest income	32,934	28,673
	<u>7,316</u>	<u>(24,134)</u>

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 £737,000 (2022:£384,000)

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 £466,000 (2022: £474,000).

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 £121,000 (2022: £224,000). QIB also paid in £506,000 into an Aviva Stakeholder Pension scheme and £135,000 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	2023 £000	Land & Buildings £000	Other £000	2022 £000
Payments due:						
Not later than one year	261	91	352	231	102	333
Later than one year and not later than five years	457	81	538	501	85	586
Later than five years	61	-	61	138	2	140
	779	172	951	870	189	1,059

	University					
	Land & Buildings £000	Other £000	2023 £000	Land & Buildings £000	Other £000	2022 £000
Payments due:						
Not later than one year	261	89	350	231	100	331
Later than one year and not later than five years	457	79	536	501	78	579
Later than five years	61	-	61	138	-	138
	779	168	947	870	178	1,048

Notes to the Financial Statements (continued)

30 Related Party Transactions

During the year ended 31 July 2023, 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	2,361	802	(377)
Union of UEA Students Ltd	3,666	2,026	(408)
Anglia Innovation Partnership LLP	-	271	-
QI Partners	15,389	2,480	(250)
Norfolk and Norwich University Hospital	2,336	2,347	(516)
Biotechnology and Biological Science Research Council	40,202	-	803
Norwich City Council	-	5	-
Adnams PLC	-	17	-
The Gatsby Charitable Foundation	1,106	-	(700)
Two Blades Foundation	2	-	-
NBI Partnership	2	1,513	-

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

	2023 £000	2022 £000
<u>Initial Teacher Training Bursaries</u>		
Funding at the beginning of the year	65	171
Training Bursary funds received during the year	592	458
Training Bursary payments during the year	(645)	(564)
	<u>12</u>	<u>65</u>
	2023	2022
	£000	£000
<u>Educational Psychology Bursaries</u>		
Funding at the beginning of the year	(40)	(40)
Training Bursary funds received during the year	560	500
Training Bursary payments during the year	(546)	(500)
	<u>(26)</u>	<u>(40)</u>

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 is expecting to provide financial support to the joint venture in line with the guarantee over the course of November and December 2023 when the loan matures and requires settlement. The joint venture is then forecast to repay this sum back to the University over a period of five years while the joint venture recovers and build up surpluses and cash reserves.

32 Post balance sheet events

In September 2023 the University identified reinforced autoclaved aerated concrete (RAAC) in three campus student residences. Two of the residences are expected to re-open during 2023/24 with the remaining residence due to its grade two star listing will remain closed for a longer period whilst we work through the capital impact and structural engineer results. There is a net loss of income to the university whilst unoccupied in the current year and future years, which has been absorbed and reflected in current and future years budget.