



University of Essex



# **FINANCIAL STATEMENTS**

## **2021-22**

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## **Financial Statements 2021-22**

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# Chair's Introduction

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The period since March 2020 has been challenging for our students, staff and the University, but I am very pleased to report that the University is operating on a sound financial footing, generating a cash surplus of 4.8%. We continue to grow while retaining our reputation for being equally committed to education and research. Although our three campuses only opened fully for the Summer Term, over the last year we still managed to offer an excellent student experience and undertake world class research to make the world a better place. It is undoubtedly the case that the impact of COVID-19 has disrupted our ability to deliver a number of our key goals since March 2020, and in turn this has had an impact on some of our league table positions. I am pleased to report that, having lost ground, we are now seeing a number of our key targets moving in the right direction, albeit with further improvements necessary to meet our 2025 goals.

## Student recruitment

Total numbers of students recruited in Academic Year (AY) 2021-22 came close to the record set in the previous year, despite a significant reduction in numbers of students joining from the 27 EU countries, as tuition loans for these students ended. Our overall recruitment levels were sustained as the result of hard work and investment embarked upon following the referendum in 2016, to boost the University's global presence and network of regional international offices. For AY 2021-22 recruitment of undergraduate international students increased by 20% and postgraduates by 74% in comparison with the previous academic year.

Happily, we are continuing to see the benefits of this approach with student acceptances indicating that record numbers of students will be recruited to start in AY 2022-23 with extremely strong continual growth being experienced at postgraduate level in particular. Overall, we remain on track to reach our ambition in the University Strategy 2019 to 2025 to have around 20,000 students and 1,000 research active staff for submission to the Research Excellence Framework (REF) in six years' time.

## Growth

Growth is essential to ensure that the University has economies of scale in our operation and can operate as efficiently and effectively as possible and that our subjects and

disciplines have critical mass and are a reference point in their fields of study. We are in the top 30 of universities in terms of research power, and, as we grow, we are benefiting from economies of scale in all areas of our work. We have 18,229 students<sup>1</sup>, an increase of 422 (2.4%) on AY 2020-21 and the total average staff numbers increased by 71 full time equivalent (FTE) (3%) which included an increase of 20 academic FTE (2%). Our turnover is £284m, an increase of £23m on 2020-21. Over the last decade we have grown from being one of the smallest multi-faculty universities in England, to being a medium-sized university and whilst this does bring challenges, it also brings very significant financial benefits. As the year progressed, we were also encouraged by continuing demand for our programmes and recognition of our research efforts.

## Research Excellence Framework 2021 (REF2021)

Since the last REF in 2014, we have made a sustained investment in increasing our research staff base to enhance the critical mass of researchers within our academic departments. This allowed the University to level-peg with most of our competitor group of similar medium-sized campus-based, research-intensive universities. This investment has created a critical mass of just over 700 FTE researchers in comparison with 339 for REF 2014. Our new allocation of mainstream Quality Related (QR) funding (that is determined by the REF and is the largest component of our annual research funding from Research England) for AY 2022-23 is £11.5m, an increase of 64.3% from AY 2021-22 when our income was £7m. This compares with an increase of 19.3% for the sector. It is a major uplift in research funding for the University of circa £26.4m over a 6-year REF cycle, without allowing for inflation.

Essex is in the UK top ten for five subjects based on the Times Higher Education's research power measure, which takes account of the key areas of REF2021 – research outputs, impact and environment – and the size of the research community in each Unit of Assessment. For research power, the University is 2nd for Sociology, 3rd for Law, 4th for Economics and Econometrics, 6th for Politics and International studies, and 6th for Computer Science. Psychology, Philosophy and Business and Management Studies are also in the top 20 in the UK, with Sport and Exercise Sciences, Biological Sciences and Public Health in the top 30.

<sup>1</sup>Figure provided is a headcount as opposed to our other published figures which represent full-time equivalent (FTE). This includes all full-time and part-time students registered to study on our campus locations. It excludes students that are on courses delivered at partner institution and any students that enrolled on occasional, modular, and summer school courses.

## Knowledge Exchange Framework (KEF) Outcome (KEF 2022)

I am delighted that we have achieved a top 50% position for all perspectives in KEF2 which was the target that we set ourselves in our institutional KEF Action Plan. Furthermore, we are above the Cluster X (of universities with a similar mission) benchmark for five out of the seven perspectives (Working with the public and third sector, CPD and graduate start-ups, Local Growth and Regeneration, IP and Commercialisation, and Public and Community Engagement). We are at the Cluster X benchmark for Working with Business and are one quintile below the Cluster X benchmark for Research Partnerships. A simple analysis has been undertaken to measure overall KEF performance in Cluster X and the sector and, using this method, Essex is ranked joint 3rd in Cluster X and 12th in the sector.

## Key Performance Indicators

Each year, Council receives and reviews regular updates on the University's performance against targets set in the University Strategy 2019-2025. A more detailed commentary is provided in the Strategic Review, but I was pleased to note, for AY 2021-22, we continued to exceed our targets for PhD completions, PhD awards per member of academic staff, cash surplus, liquidity and debt servicing. We made good progress in the Times Higher Education World University Rankings, student satisfaction, graduate outcomes (graduate level jobs or further study) and the proportion of firsts and 2:1s achieved by our students. While not one of our key performance indicators (KPIs), it was also good to see the University rise 22 places to 42nd in the Guardian University Guide 2023.

Pleasingly, citations of our academic work increased. This is in the context of a highly productive UK sector, and we continue to work hard to improve our rankings. Due to the pandemic, there were some restrictions to research activity, but we expect to see improvement in our metrics for research income from next year.

## National Student Survey (NSS)

Our performance in the National Student Survey improved this year, with the University ranking 39th for overall satisfaction. However, this is relatively poor in comparison with the University's long-term record and work to address the concerns of our students is of the highest priority. The students who completed the survey felt the impact of COVID restrictions through three academic years. Due to our subject mix, most of these students received much of their education online. While educational outcomes were protected and we worked diligently to support students through the pandemic, there is no substitute for attending our campuses. It was wonderful to be able to welcome our students back to a full campus experience for AY 2022-23.

## External environment

In 2019 we took out fixed price contracts for energy until September 2024. This gives us some time to maximise our investment in energy generation and conservation to avoid significant increases in costs and enable reductions in our carbon footprint. It was also with good foresight that we arranged a revolving credit facility with Santander for £40 million, incorporating discounts for green initiatives, that we can deploy to address this critical agenda and meet our Climate and Ecological Emergency Crisis Commitment to reach net zero by 2035.

In common with many other universities, we delayed our capital investment plan to conserve our cash balances during the pandemic. As we begin to relaunch and re-prioritise our plans for refurbishing and improving our infrastructure, we find the value of those cash balances being devalued by inflation. At the same time, interest receivable and returns on bonds and equities were extremely low or negative, affording us little opportunity to mitigate the effects of inflation. I'm very grateful for the work of our Investment Committee in avoiding the losses experienced by many other investors and securing positive returns to help us invest for our future.

Freezing fees for home undergraduate students in a high inflation environment represents a significant real term cut to university funding. Our students are struggling with the cost-of-living crisis as maintenance loans have also fallen significantly behind inflation. We continue to do all that we can to control our costs and support our students who are in hardship. We have also set up a working group to consider how we can support our staff with the cost-of-living challenges they face, and this will report to Council in November 2022.

In the light of developments in the regulatory environment over the last year, with new or revised conditions of registration coming into force, we have constructed detailed risk assessments of the University's course provision against the new definition of condition B3 of registration with the Office for Students. We found that our data on student success matches up well against these new targets and we are ever more vigilant to ensure that our students receive the transformational Essex education that they deserve, with the consequence that we continue to meet our regulatory obligations.

## Successes

- The continuation rate of our returning students has increased from 90.5% to 92.3%.
- Our projected student completion rate has further increased by 4.2% which is 2.8% above our benchmark.
- The University's overall 'good degree' performance has improved by 4.9%.
- Our ethnicity award gap has further reduced to 4.7%.
- Dr Liam Jarvis was awarded the Most Innovative Teacher award at the **2021 Times Higher Education Awards**.
- Our Students' Union was ranked first in the UK for national Student Volunteering Week.
- We rank first out of all universities in the UK for the number of **Knowledge Transfer Partnerships we have been awarded**.
- Our research income increased by over £2m to reach over £30.1m, which is close to our record income level of £30.9m in AY 2018-19.
- England's latest Knowledge Exchange Framework report (KEF2), shows that Essex has done exceptionally well in six out of the seven key KEF2 performance areas. The University of Essex is one of the best universities for working with the public and third sectors, according to Research England's latest Knowledge Exchange Framework report.
- The Wolfson Foundation has pledged £1m to support the development of a unique Smart Technology Experimental Plant Suite (STEPS) to support world-leading research into future-proofing crop production in a changing world.
- The Young Universities for the Future of Europe alliance (YUFE), of which we are a founding member, has been awarded a European Commission grant worth €14.4million.
- Essex is ranked 76th out of more than 1,400 institutions across the world assessed in the highly prestigious Times Higher Education Impact Awards which show how the global higher education sector is working towards the United Nations' Sustainable Development Goals.
- Wivenhoe Park retained its place among the UK's most popular parks for the fourth year running in the People's Choice Awards in 2021 – the only university to achieve this honour and be named as one of Britain's best ten green spaces.

## Developing our campuses

Exciting work is underway by our partners, ULiving, to create a further 1,262 bed spaces on our Colchester Campus, facilities that are due to be completed in phases from April 2023. We have continued to invest in our research facilities to ensure that we can attract and retain the very best researchers. This includes a recently completed £1.89m refurbishment of facilities for our School of Life Sciences to allow collaboration nationally and internationally in marine biology, relating to our broader climate and ecological emergency agenda and structural biology expertise.

One of the highlights of this year has been the launch, in February, of our Institute of Public Health and Wellbeing, directed by Professor Ciara de Cesare. Partnership working will be a key enabler for the success of the Institute, and I want to thank Provide (a community interest company), North East Essex and South Suffolk Clinical Commissioning Group, and Health Education East of England for their generous support in helping us launch this Institute. The Institute will be based on the ground floor of a new £14m building on the Knowledge Gateway, the University's science and research park. Health Education East of England has awarded us a grant of £3m to equip six new 'Health and Social Care Hubs' located alongside the Institute. These will support our community, offering health and wellbeing facilities, and filling gaps in current services, providing easy access for partners to benefit from the University's knowledge and expertise, skills and talent – as well as providing high quality clinical placements for our students, who are the future healthcare workforce.

## Thanks

I wish to renew my sincere thanks to Dr Elizabeth Hall, Geoffrey Probert and Danny Lopez who concluded their service on the University Council recently. Elizabeth completed a full nine-year term on Council, serving on Honorary Degrees and Honorary Fellowships Committee from 2015-16 through to 2020-21. She was hugely supportive of the rapid and successful development of the School of Health and Social Care. Over eight years, Geoffrey's advice was highly influential in setting so many of the strategies from which we are now benefiting, not least his support for our expansion in international student markets. Geoffrey was also a valued member of Policy and Resources Committee and Investment Committee. Danny was always a positive and constructive voice on Council, bringing valuable insights from his commercial experience. I know our Audit and Risk Management Committee valued greatly and benefitted from his technical expertise, particularly in the field of cyber security.

## In conclusion

The University has shown great resilience through the years impacted by the pandemic and is now emerging with enhanced productive capacity, significant increases in annual funding for research, substantial increases in income from tuition fees and plans for investment in response to the climate and ecological emergency. We have grown to be a medium-sized, dual intensive university progressing confidently towards our targets of around 20,000 students and 1,000 research active staff for the next REF in six years' time.

I am proud of how Essex has used a combination of prudence and planning to lay a stable foundation for our future. I would like to take this opportunity to thank our staff who worked incredibly hard in exceptionally challenging circumstances, our students who, with the support of our academic and professional services and Students' Union (SU) staff, made the most of their experience at Essex despite the pandemic, and the leadership team of the University in leading us through what is I hope is a once in a generation set of challenges.



# Highlights from 2021-22

**18,000+**

students (Headcount)

**7,000+**

new students

**100,000+**

alumni

## Research Power

**5** subjects in the UK Top 10

(Times Higher Education)

## Most Innovative Teacher Award

**Dr Liam Jarvis**

from Department of Literature,  
Film, and Theatre Studies

(Times Higher Education Awards)

**1st**

in the UK for Knowledge  
Transfer Partnerships

**TOP 50**

for politics and sociology  
in the QS World University  
Rankings by subject

**TOP 100**

in the global Times Higher  
Education Impact Rankings

## Research Quality

**4** social science subjects  
in the UK Top 10

(Research Excellence Framework 2021)

**TOP 10**

Essex Students' Union  
ranked 7th for representing  
the academic interests of  
students

(National Student Survey 2022)



We remain a key member of the Young Universities for the Future of Europe (YUFE) and the Young European Research Universities Network (YERUN)

# Strategic Report

## Objectives and strategy

Our mission is to deliver excellence in education and research, for the benefit of individuals and communities. We are proud to offer a transformational research-led education, welcoming students to the University based on their potential, helping them to fulfil that potential, and transforming the lives of everyone who chooses to study at Essex. Throughout the pandemic, we have kept this at the forefront of our mind taking short-term decisions in the context of our long-term strategy (<https://www.essex.ac.uk/about/university-strategy>). It was particularly important that we grow our research capacity. The financial reward of pursuing this strategy, increasing the number of research academic staff submitted to REF 2021 to 703, from 339 submitted to REF 2014, is an increase of £4.4m in our core research grant funding for AY 2022-23, providing the platform to progress to 1,000 research active staff for the next REF.

## Financial performance during 2021-22

Despite the continuing disruptor of COVID-19, the University is on a stable financial footing, albeit generating a cash surplus somewhat lower than we had planned to invest in the academic mission of the University prior to the pandemic. After excluding negative movements in our Universities Superannuation Scheme (USS) pension provision movement of £47.2m, the University delivered an underlying accounting surplus of £4.9m (excluding USS pension provision movements) and a cash surplus of £13.4m (4.8%). This outturn exceeded the minimum cash surplus of 4% set by Council as part of our four-year Recovery Plan but is 0.7% short of the 5.5% cash surplus we have identified as necessary to make the investments we need in staff and infrastructure to deliver our mission. Valuations of the USS pension scheme have been particularly sensitive to movements in GILT yields, and it should be noted that an interim valuation as at 31 March 2022 showed a very much improved picture with the total scheme deficit on the technical provisions reducing from £14.1bn, as at the 31 March 2020 valuation, to £2.1bn.

The reduction in on-campus activity due to COVID-19 restrictions continued to impact Campus Services, who returned an overall financial deficit of £3.3m, though this was a significant improvement on the £12.8m deficit reported in 2020-21. Of this £9.5m year-on-year improvement, £8.2m has arisen within Accommodation, reflecting a significant increase in room occupancy as COVID-19 restrictions eased. The increase in campus footfall and activity has also enabled an improved year-on-year financial performance for Wivenhoe House Hotel and Essex Food, both up by £0.5m.

AY 2021-22 saw the commencement of a new academic partnership with Aegean Omiros College (AOC) in Greece. This is a validation arrangement offering a number of Undergraduate (UG) and Postgraduate Taught (PGT) courses and, to date, has seen total student headcount intake numbers of over 950 (approximately 750 UG and 200 PGT). In addition, our existing partnership with Kaplan delivering on-line degrees (University of Essex Online) continued to achieve strong growth exceeding 4,000 (headcount) for the first time during 2021-22, representing a doubling in numbers since 2019.

Total student population numbers remained above 16,000FTE, comparable with AY 2020-21 numbers. We achieved another record level of income from student fees of £176m (an increase of nearly 5% from 2020-21), including an increase of over £20m in fee income from international students. Total International student FTE increased by over 1,000, an increase of 30%.

With fewer restrictions in place, we have seen a gradual recovery in research activity. In comparison with 2020-21, our income increased by over £2m to reach over £30m. This is close to our record income level of £30.9m in 2018-19. Our indirect cost recovery has also increased by £0.3m to £6.7m.

	2020-21 £000	2021-22 £000	Year-on-year movement
<b>Research contract income</b>	28,062	30,164	+2,102
<b>Research contract indirect costs recovered</b>	6,376	6,694	+318

Increasing academic staff numbers remains a key priority. Over the 12-month period from August 2021 to July 2022, average academic staff numbers increased by 20 FTE (2%) and total staff numbers by 71 FTE (3%). Whilst the very welcome growth in academic staff is very positive, the significant increase in academic staff has and will have an impact on a number of KPIs where we use per member of staff measures to judge progress towards our KPIs, including research income and citations. As staff settle in, we are sure their contribution will impact positively on these KPI measures. We estimate that our HESA reported student to staff ratio (SSR) will improve from 16.0:1 in 2020-21 to 14.9:1 in 2021-22.

## Capital investment

The Capital Investment Plan (CIP) supports the delivery of the University's Strategy and its commitment to excellence in education and research and to growing to a community of about 20,000 students and about 1,000 research active staff for the next REF.

Following the outbreak of COVID-19, the University's financial outlook has improved following the implementation of our 'Bounce Back' strategy and the capital receipt received from the Pastures student accommodation transaction related to our Colchester Campus. However, the budget of £16.25m to deliver the recladding on University Square student accommodation in Southend, has had a significant negative impact.

A revised CIP was agreed by Council in July 2022. Included within the plan is provision for £73m of the refurbishment of the existing estate, including projects such as refurbishing student accommodation and facilitating a transition to more flexible and agile ways of working that will reduce the demand for office space on campus, allowing more flexible and innovative use of the estate for teaching space. This provision, which includes £7.9m investment for Smart Working at Essex (SWAE), represents a significant switch in strategic decision-making in support of reconfiguring the University's current estate to enable growth in the context of our climate and ecological emergency responsibilities and flexible working principles.

To strengthen our ability to invest in energy reduction measures and provide an additional cash safety net in relation to liquidity, we have entered into a revolving credit facility for £40 million with Santander Bank. This is an increase of £20m from our previous holding with Lloyds Bank and will remain in place for five years until April 2027.

The categories of project identified for potential investment within the capital plan are as follows:

- Research infrastructure
- Supporting growth
- Student experience
- New ways of working and learning
- Digital resilience and innovation
- Climate emergency.

	2019-20 £000	2020-21 £000	2021-22 £000
<b>Total investment</b>	£20,694	£14,426	£14,113

Major Projects in 2021-22 included:

- Smart Working at Essex (SWAE) – This £7.9m project covers two key areas. The first is the re-configuration of the University's estate to enable growth; and the second is to improve the digital infrastructure to facilitate flexible and innovative working both on campus and remotely. (2021-22 £4.9m).
- Life Sciences Level 2 – Completion of a £1.885m refurbishment project that will enable collaboration nationally and internationally in two key areas of our education and research: Marine Biology, which relates to broader environmental agendas; and Structural Biology (Protein Structure and Mechanisms of Disease Research Group), which underpins areas including human health, the environment and biotechnology. (2021-22 £0.675m).
- Parkside Phase 3a – The Parkside Phase 3a building consists of four open plan floors, totalling 40,000sqft. The University will occupy the ground floor space through the Institute of Public Health and Wellbeing (IPHW) and Health and Social Care Hubs (HSCH) to support our ambitions to develop specialist research, workforce development and clinical facilities/services. The remaining floors will be commercially let and represent an extension of the Parkside Office Village on the Knowledge Gateway Site. The project also included a water main diversion completed this year. (2021-22 £1.9m).

## Debt, liabilities and liquidity

Despite the need to secure higher returns to counter the impact of inflation, cash continues to be managed prudently and losses due to the fixed interest investments have, very largely, been avoided. Cash, cash equivalents and short-term investments increased from £77.0m to £111.8m over the year, reflecting the deferral of capital projects and cost-saving measures taken during the pandemic. The University Council set a requirement for a minimum of 60 days liquidity, and we achieved 178 days of general expenditure (excluding depreciation) at 31st July 2022, compared with 2020-21's figure of 140 days. Total long-term debt outstanding at 31 July 2022 was £142.8m (2020-21 £144.9m). The University was fully compliant with its banking covenants and is on track to remain so in the foreseeable future.

## THE Impact Rankings

At the end of last year, we made our first submission to the Times Higher Education Impact Rankings and when the results were announced in April 2022, the University of Essex achieved a world ranking of 76th out of over 1,400 participating universities.

This is an important milestone for the University because it reflects our values, hard work and commitment towards sustainable development and to the 17 Sustainable Development Goals (SDGs) agreed by all member states of the United Nations in 2015. Essex achieved a top 100 world ranking for 12 of the 17 SDGs, demonstrating breadth in our sustainable development efforts. This included recognition of our world leading contributions towards SDG 12 Responsible Consumption & Production, SDG 16 Peace Justice and Strong Institutions, and SDG 10 Reduced Inequalities for which we were ranked 12th, 18th and 24th respectively.

Although our Impact Rankings are very pleasing, the University is not complacent about the scale of the challenge and recognises that much more needs to be done. In 2020, the University of Essex declared a climate and ecological emergency accompanied by a detailed action plan, setting out the practical steps we are taking towards becoming carbon net zero by 2035. We take our promise very seriously and are continually acting and making new investments to ensure that not only are we improving the carbon footprint of our campuses but are also developing innovative education and research practices that are sustainable without compromising on excellence.

Measuring the contribution of the University in progressing each of the SDGs is not easy. This is because during the past decade the University of Essex published on average 1,900 research outputs per year and we have approximately 3,000 different programmes of study including undergraduate, postgraduate and research degrees. That is a lot of reading and it would be impossible to directly map every goal against each research paper and degree course. Instead, we have adopted keyword methodologies commonly used across the higher education sector, including the Times Higher Education Impact Ranking to which we have submitted to for the first time this year.

There are two commonly used keyword sets for each of the SDGs. The first set was developed by the Asia/Pacific Sustainable Development Solutions Network (SDSN)<sup>1</sup> which is very broad, and the other is the Elsevier keyword set<sup>2</sup> which is used by Times Higher Education and is much narrower. For our research we have used both keyword sets to search our publications using the Scopus indexing service, reporting the number of publications and citations Essex has achieved for each goal from 2010 to 2021. For our education programme we have indicated how many programmes relate to each SDG and how many student interactions there have been across these programmes since 2012.

<sup>1</sup><http://ap-unsdsn.org/regional-initiatives/universities-sdgs/>

<sup>2</sup>[https://service.elsevier.com/app/answers/detail/a\\_id/31662/supporthub/scopuscontent/](https://service.elsevier.com/app/answers/detail/a_id/31662/supporthub/scopuscontent/)

**Table 1:** Research Publications and Citations Associated with each Sustainable Development Goal

	Publications		Citations	
	SGSN	Elsevier	SGSN	Elsevier
SDG 1: No Poverty	3295	48	53642	361
SDG 2: Zero Hunger	2424	75	51708	2132
SDG 3: Good Health and Well-being	2127	1525	36615	29308
SDG 4: Quality Education	1339	26	18531	454
SDG 5: Gender Equality	1699	120	21800	1079
SDG 6: Clean Water and Sanitation	911	20	18056	248
SDG 7: Affordable and Clean Energy	1416	268	26917	4697
SDG 8: Decent Work and Economic Growth	3784	223	55116	3350
SDG 9: Industry, Innovation and Infrastructure	4673	60	76382	2398
SDG 10: Reduced Inequality	4589	252	66592	4039
SDG 11: Sustainable Cities and Communities	2770	113	52068	1568
SDG 12: Responsible Consumption and Production	2576	100	47000	1821
SDG 13: Climate Action	900	221	20324	5274
SDG 14: Life Below Water	524	175	14143	4269
SDG 15: Life On Land	1411	75	33563	2448
SDG 16: Peace and Justice Strong Institutions	2611	679	31705	7374
SDG 17: Partnerships to achieve the SDG	221	N/A	3785	N/A

**Table 2:** Degrees Associated with each Sustainable Development Goal and Student Engagements

	Relevant Degrees		Student Engagements	
	SGSN	Elsevier	SGSN	Elsevier
SDG 1: No Poverty	843	137	12854	1206
SDG 2: Zero Hunger	659	10	8863	64
SDG 3: Good Health and Well-being	512	327	6488	3510
SDG 4: Quality Education	592	28	6486	191
SDG 5: Gender Equality	574	178	7724	985
SDG 6: Clean Water and Sanitation	234	2	1583	32
SDG 7: Affordable and Clean Energy	190	20	1304	45
SDG 8: Decent Work and Economic Growth	936	191	16537	1523
SDG 9: Industry, Innovation and Infrastructure	1160	19	15861	48
SDG 10: Reduced Inequality	990	170	17272	1125
SDG 11: Sustainable Cities and Communities	568	74	8614	438
SDG 12: Responsible Consumption and Production	514	98	5751	1479
SDG 13: Climate Action	200	121	1473	976
SDG 14: Life Below Water	188	52	2129	303
SDG 15: Life On Land	276	24	2066	189
SDG 16: Peace and Justice Strong Institutions	614	315	8597	3407
SDG 17: Partnerships to achieve the SDG	166	N/A	991	N/A

## Future outlook and prospects

We remain optimistic about our plans to grow our University community to 1,000 researchers and circa. 20,000 students by the next Research Excellence Framework exercise expected in 2026. As noted above, a focus of the University's staffing strategy is to increase the number of staff with an education and research component to their contract: to increase the research power of the University; to further strengthen the research led education that we offer at Essex; and to improve student staff ratios.

Our ability to generate sufficient cash surpluses each year is key to delivering our mission and the scale of our ambitions. As a result of our declaration of a climate and ecological emergency, our focus on refurbishing existing buildings to ensure they serve the needs of our time – including new and more flexible ways of working rather than new builds – and a focus on investing in our academic and professional services staff, mark an important and exciting evolution in our investment strategy.

## Risk

### Policy and approach

The University maintains a risk management policy, which forms part of the University's internal control and corporate governance arrangements. The policy explains the University's underlying approach to risk management and documents the roles and responsibilities of the University Council, the University Steering Group (USG) and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures. In addition, it describes the process the University Council follows to evaluate the effectiveness of the institution's internal control procedures.

The following principles underlie the University's approach to risk management and internal control:

- Council has responsibility for overseeing risk management within the institution as a whole.
- The Vice-Chancellor and University Steering Group (the University's Executive) advise the Council and implements the policies it approves.
- The Audit and Risk Management Committee (ARMC) provides Council with independent assurance about the effectiveness of the University's risk management arrangements.
- External Audit has an overview of the policy, making comments and recommendations of practical benefit.

- Internal Audit provides ARMC and Council with independent assurance about the effectiveness of the University's risk management arrangements.
- The institution makes prudent recognition and disclosure of the financial and non-financial implications of risks.
- Heads of Departments and Heads of Section are responsible for developing awareness of risks within their units, and for identifying risks inherent in new developments.
- Key risk indicators are identified and monitored regularly.

### Risk Appetite

The University recognises that risk appetite varies according to the activity undertaken and has developed a matrix determining the level of willingness to accept risks in pursuit of its strategic objectives. The approach is to minimise exposure to risks in the areas that relate to Health and Safety, regulatory compliance and the University's duty of care to staff and students, whilst accepting and encouraging the active management of risk in order to pursue strategic priorities as defined in the University Strategy 2019-25. The matrix maps the University's risk appetite against key strategic aims and compares the potential impact if things were to go wrong against the benefits if opportunities are realised; progress in realising those benefits is measured using a set of Key Performance Indicators, providing a measurable value that demonstrates how effectively the University is achieving key business objectives.

### Risk ownership and management

The Registrar and Secretary, as the Risk Management Process Owner, is responsible to the Vice-Chancellor and USG for ensuring the operational effectiveness of the University's risk management procedures. The Risk Management Group (RMG), now chaired by the Director of Finance, Planning and Data Insight, provides guidelines on the assessment of risk in planning and decision-making and monitors compliance. The Director of Finance, Planning and Data Insight ensures that the Strategic Risk Register (SRR) is properly maintained, that the relevant preventive and recovery measures are implemented, and that a sufficiently comprehensive set of risk management plans are maintained.

For control of operational level areas, Faculties, Departments and Professional Services sections maintain local operational risk registers that identify risks and relevant mitigating actions. Local risk management groups conduct operational risk register reviews at least once a year and material changes (the addition of new risks, the removal of risks and significant changes to risk ratings) are reported to RMG on a cyclical basis. This provides a clear route for risk identification and

## Risk ownership and management (continued)

escalation. Risk owners are also required to report on the potential impact of risks on the Strategic Risk Register as well as any associated resource, legal, regulatory or equality implications, which require consideration by the University. Operational risk register updates enable RMG to understand local issues and to check consistency in scoring across broad risk themes; these, along with the strategic insight of RMG members and their knowledge of changes in the internal and external environment, allow RMG to assess the Strategic Risk Register critically on a termly basis.

Major movements in the risk environment and the University's risk profile are then drawn to the attention of USG and ARMC by way of termly reports. This allows members of the executive team and external committee members to bring to bear their different perspectives, knowledge and experiences when scrutinising and contributing to the development of the Strategic Risk Register, ensuring that key areas of risk are not overlooked.

USG provides information to Council and to ARMC on a regular basis and will report on major risks and associated ameliorative measures. Council, which is responsible for reviewing the effectiveness of the internal control and risk management framework of the institution, will, on the basis of the information provided by the annual report of the Audit and Risk Management Committee; by the annual report provided by Internal Audit and by any other information provided by University Steering Group, form a view on the effectiveness of the risk management framework. It provides guidance to USG on ways in which procedures may need to be improved. The Risk Management Policy is reviewed annually by the Risk Management Group, ensuring that the policy is updated periodically to ensure that it remains fit-for-purpose and in line with best practice.

## Key risks

The University has an established Strategic Risk Register, which details those risks that pose the greatest challenge to the University meeting its strategic objectives in the current planning period.

The COVID-19 pandemic, particularly through the emergence of the Omicron variant, remained a significant risk to the University during 2021-22; however, the robust mitigations put in place by the University in response to the pandemic, including placing significant financial contingency sums in the 2021-22 budget, allowed for the financial impact of reduced commercial activity on campus to be absorbed; staff and students were encouraged back to campus in the summer term in a safe and controlled manner. The University was able to overcome barriers to recruitment through diversification of income streams which included significant increases in international and postgraduate recruitment to mitigate the impact of reduced intake from EU 27 countries following Brexit. The University also benefited from sustained strategic investment in its research staff base, from 339 FTE researchers in 2014 to over 700 FTE available for REF2021; this has leveraged a significant increase in year-on-year QR funding available to the University from 2022-23.

As the University navigates away from the pandemic other risks emerge including the impact of rising inflation, the sustained threat of cyber-attacks, and changes in the regulatory and funding environment. The University is alive to these risks and has mitigating measures in place to be able to respond. For example the University has: fixed energy prices for five years in 2019, which has allowed time to develop energy saving initiatives and consider investments in this area which are aligned to the University's Sustainability aims; secured a £40m sustainability linked revolving credit facility to provide additional financial headroom and facilitate investments in green initiatives; embedded a range of cyber security controls and processes which measure defence maturity against industry best practice frameworks; and developed dynamic risk assessments for Conditions B3 and the Teaching Excellence Framework (TEF) to identify any emerging areas of regulatory risk.

## Key Performance Indicators

Progress against key performance indicators, set in accordance with the University Strategy 2019-2025, is summarised in the table below. Further below is a commentary on those indicators where we are performing well, improving or continuing to work hard on to see the performance to which we aim.

	Completion of 2021-22	Latest Data	Performance at completion of 2021-22		Performance at completion of 2020-21		
	Target		Rank	Value	Rank	Value	
1 - TGUG Rank	25th	TGUG 2023	54th	598	43rd	626	▼
2 - THE-WUR Rank	250th	THE-WUR 2023	308th	48.5	338th	46.7	▲
3 - TEF	Gold	TEF 2017	Gold	Gold	Gold	Gold	-
4 - Student Satisfaction	25th	TGUG 2023	79th	73.0%	105th	69.7%	▲
5 - Graduate Outcomes	25th	TGUG 2023	68th	72.6%	83rd	67.6%	▲
6 - Student Outcomes (E&D) a. Progressions (Stage 1 to 2)	<5	2021-22	-	54	-	38	▼
6 - Student Outcomes (E&D) b. Good Degrees	<5	2021-22	-	15	-	13	▼
6 - Student Outcomes (E&D) c. Graduate Outcomes	<5	2021-22	-	11	-	7	▼
7 - Research Degree a. Completion	70%	2021-22	-	90%	-	78%	▲
7 - Research Degree b. Awards	-	2020-21	6th	0.22	1st	0.31	▼
8 - Research Quality	20th	TGUG 2023	41st	50	25th	37.2	▼
9 - Citation Rates	40th	2017-21	80th	9.1	75th	8.0	▼
10 - Research Income a. Income/Staff FTE	20th	2020-21	46th	£42,085	41st	£48,046	▼
10 - Research Income b. Income from Industry	6th	2020-21	16th	£4,181,000	15th	£4,381,000	▼
10 - Research Income c. HE-BCI Income	9th	2020-21	12th	£25,685,000	13th	£26,800,000	▼
11 - Financial Sustainability a. Cash Surplus/Deficit	3.0%	2021-22	-	4.8%	-	5.8%	▼
11 - Financial Sustainability b. Institutional Liquidity Days	60	2021-22	-	178	-	140	▲
11 - Financial Sustainability c. Institutional Borrowing	>2	2020-21	-	3.5	-	3.8	▼

## Consistently performing well

- KPI-07a (PhD completion) and KPI-07b (PhD awards/staff) are, and have remained throughout, well above the targets set. The slight decrease in KPI-07b is driven by an increase in staff numbers compared to students awarded.
- KPI-11a, -11b, -11c all remain green exceeding targets based on provisional final figures (awaiting outcome of audits).

## Steady improvement

- KPI-01 (TGUG) fell by 11 positions this year. The removal of the Services/Facilities Spend metric was the greatest contributor to the fall in rank. This is a metric for which we expected to rank first in the country, and without its removal, would have seen us rise in overall rank in the final league table of +4 places to 39th (and thus a swing of 15 ranks).
- We have improved ranking on six of the nine measures: teaching quality; student experience; combined student satisfaction; graduate prospects; Firsts/2:1s and completion rate. Having lost ground during the pandemic period, KPI-04 (NSS) and KPI-05 (GO) both saw strong improvements this year over last year, of +26 and +15 places, and thus on an upwards trajectory. Robust plans are in place for both student satisfaction and graduate prospects to continue this upwards trajectory to achieve the levels we expect.
- KPI-02 (THE) rose 30 places to 308th but remains in the same ranking bracket (301-350). Our increase is predominantly driven by a 59-place improvement in citation metric ranking. This shows that progress is being made as the result of a number of strategic initiatives driven forward in the past few years in this area. We continue to strive to keep up with our competitors to reach our target.
- KPI-09 (Citations) – Essex has seen consistent year-on-year growth in the citations per publication value; however, the rank continues to fall against the UK sector. Encouragingly the size of our growth exceeds the size of the sector average and as aforementioned a similar metric used in the THE-WUR saw an improved score and rank in the most recent year.
- KPI-10b (Industry Income) and KPI-10c (HE-BCI Income) – in both cases the total value fell (5% and 4% respectively) year-on-year but both do so after many years of strong growth and remain above the 2019 baseline.

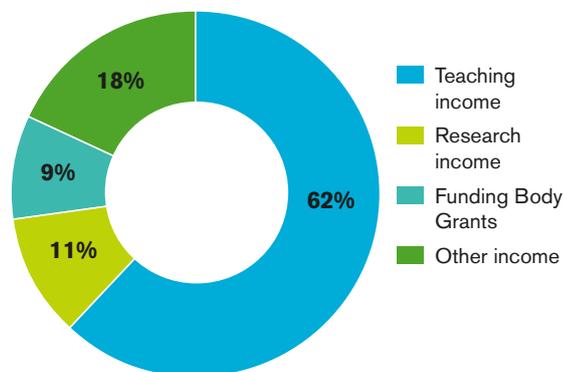
- KPI-06b (Degree Classifications) – This KPI measures the extent of attainment gaps in six protected characteristics for 2:1s and 1sts. A red flag equates to a 15% attainment gap between groups within a protected characteristic e.g., male and female. The number of red flags continues to be well below the baseline year of 2019. Proportionately, red flags have dropped from 25% in the baseline year to 13.5% this year, which shows that progress is being made in the University's mission to provide a transformative experience for every student regardless of characteristic or background.
- KPI-06c (Graduate outcomes) – This KPI measures the extent of gaps for students achieving high level employment/ further study in six protected characteristics. The number proportionately of green flags has grown to 50% of all flags (which is a less than -5% gap between groups within a characteristic (e.g. ethnicity)). The number of red flags has also grown (a red flag equals a -15% gap between two groups). However, this is explained by increases in student numbers and response rates (previously low scores were suppressed and thus fewer red flags).

## Work in progress

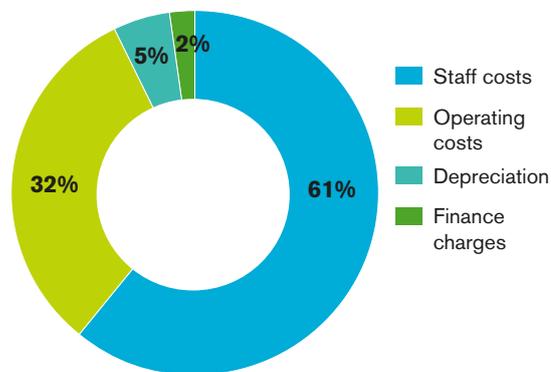
- KPI-06a (Progression) – This refers to the gap between students of characteristics progressing from Year 1 to Year 2. A red flag is produced when there is a -10% gap between groups in a particular characteristic (e.g young vs mature). This is an area which requires work as the number of red flags has risen year on year. The number of amber flags has stayed relatively static and green flags have fallen. Notwithstanding, we are performing well against our benchmark group for the TEF for equality metrics so whilst there is work to be done internally there is room to be optimistic about our outcomes.
- KPI-08 (Research Quality) – Now using REF 2021 for the first time, the rank fell from 25th to 41st. This score and rank are likely to remain static for the next six publications of the TGUG. A conscious decision was made to provide a REF submission that optimised the QR funding potential of the submission, which is not always compatible with improved performance in the TGUG metric. This was successful with recurrent research grant increasing by £4.5m a year. Good progress is being made with early preparations for the next REF that will take place in 2027 or later.
- KPI-10a (Research Income/FTE) has fallen in rank, this is primarily driven by consistent increases in staff FTE. New staff will take time to win grants, spend and then claim research income. With travel limited for much of the year and some restricted access to laboratories due to COVID, 2021-22 did see a small fall in total research income also. We anticipate a return to growth in research income from 2022-23.

# 2021-22 Financial Statements

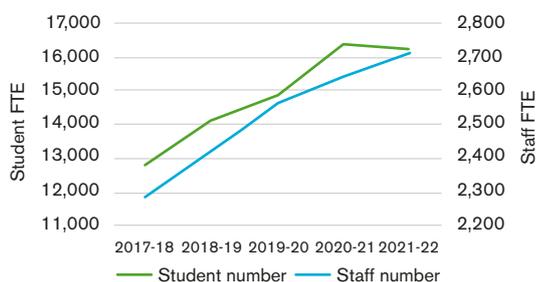
## Income 2021-22



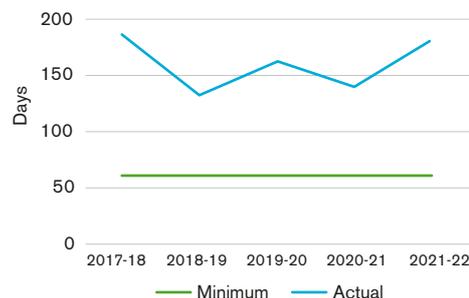
## Expenditure 2021-22



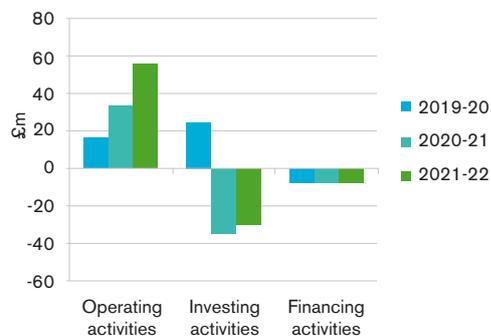
## Student and staff numbers



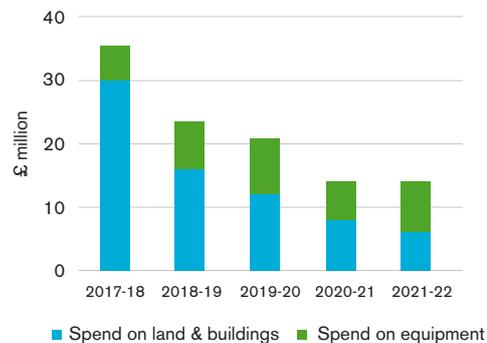
## Liquidity days



## Cash inflows and outflows



## Capital investment



# Quick Overview 2021-22

**£284m**

**Income up 8.8%**  
(£261m 2020-21)

**£176m**

**Teaching income  
up 4.8%**  
(£168m 2020-21)

**£44m**

**Research income**  
(Including contracts, grants  
and fees)

**£13.5m**

**Cash surplus for  
investment and growth**  
(£14.3m 2020-21)

**£326m\***

**Total expenditure**  
(£274m 2020-21)  
\*includes £47m for USS

**2,715**

**Staffing**  
(2,644 2020-21)

**16,305**

**Student numbers**  
(Excludes CPD, Short Courses,  
SENSS, Partnerships, Centre  
for Education, Organisational  
Development)

**£14.3m**

**Capital investment**  
(£14.4m 2020-21)

# Public Benefit Statement

## Our charitable aims

Our Royal Charter sets out the objectives which form our charitable purpose *“to advance education, scholarship, knowledge and understanding by teaching and research for the benefit of individuals and society at large”*.

### Our 2019-2025 strategy states that:

- Our purpose is to benefit individuals and communities through excellence in education and research.
- We will put student success at the heart of our mission, supporting students from every background to achieve outstanding outcomes preparing our students to thrive in their future lives and nurturing our community of educators to support and promote student success.
- Our research will continue to focus on asking difficult questions, challenging conventional wisdom, tackling with rigour the questions that matter for people and communities and putting ideas into action to improve people's lives.
- We will be recognised nationally and globally for the quality and impact of a transformative education, and for the international excellence and world-leading quality, scale and impact of our research.
- We will nurture and celebrate our shared commitment to social action, supporting every person in our University community to realise the potential of their Essex Spirit through their contribution to our shared mission.
- We will have grown the University to achieve transformational research through our community of researchers and extend our knowledge base by investing in new disciplines that meet the needs of our time and to ensure the financial sustainability of the University.

### Beneficiaries of our work

Our research and education contribute to improving people's lives in the UK and internationally.

Our students are the main public beneficiaries of our work in education and research. We provide a transformational educational experience, encompassing both the academic and extracurricular activities, to fulfil the potential of our students. Our global community of over 100,000 alumni from 150 countries are taking their Essex Spirit out into the world and making change.

Other beneficiaries include companies, organisations and charities that employ our graduates, work with our academics on knowledge exchange projects, or access our training programmes.

Wider society benefits from the insights provided by our world-leading research in the social sciences, science and health, and the arts and humanities. Our work also makes a growing contribution to the local economy, underpinning the success of our region.

### Governance

Members of Council are trustees of the University and our decision making pays due regard to the Charity Commission's guidelines on charitable purpose and public benefit, in particular, The Advancement of Education for the Public Benefit (Charity Commission, December 2008) and Public Benefit and Fee Charging (Charity Commission, December 2008).



## Awards and rankings

This year we were confirmed as a powerhouse for social sciences research with the publication of the 2021 Research Excellence Framework (REF) which ranked us in the top ten in the UK for research quality in economics and econometrics, modern languages and linguistics, politics and international studies, and sociology.

We were also ranked in the top ten for research impact in computer science, economics and econometrics, law, politics and international studies, and sociology.

In 2022 we were also ranked in the top 100 of the Times Higher Education (THE) Impact Rankings. Essex was ranked 76th out of more than 1,400 institutions across the world for our work in support of the United Nations Sustainable Development Goals.

We're the number one university in the UK for Knowledge Transfer Partnerships (KTPs), the flagship Innovate UK programme.

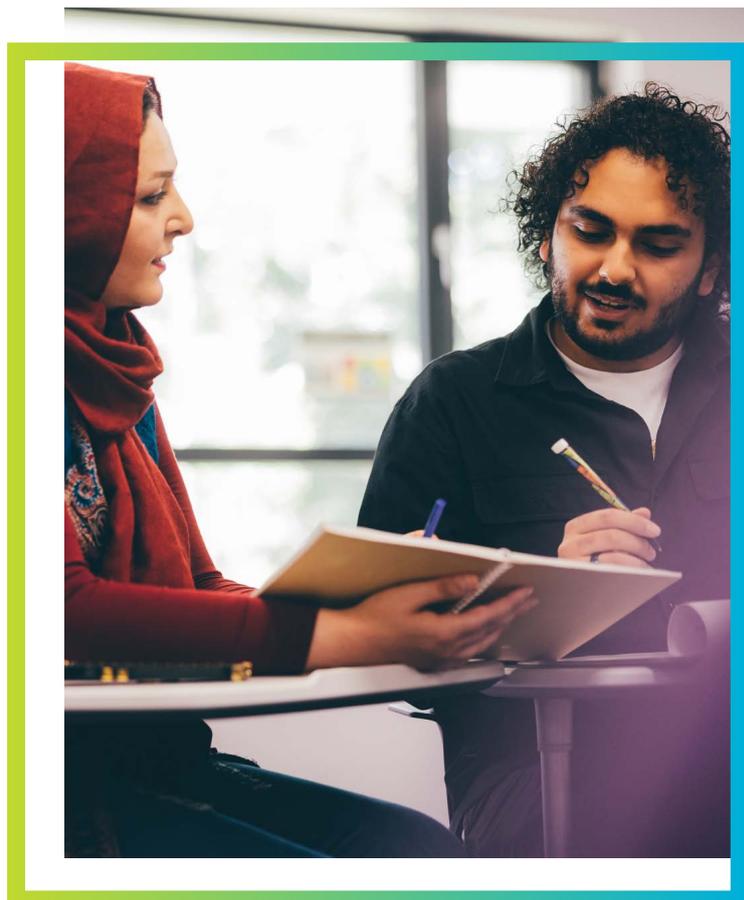
The Essex Students' Union was ranked 7th in the country in the 2022 National Student Survey for representing the academic interests of students.

## Essex in Europe

During 2021-22 we continued to strengthen our role in the Young Universities for the Future of Europe (YUFE) alliance, which enriches and enhances learning opportunities (including extra-curricular training activities) for our students across a network of ten European universities. Essex continued to lead the alliance's important diversity and inclusivity work which is embedded across all its activities.

YUFE's ambitious Inno4YUFE project aims to foster a new generation of student entrepreneurs and innovators, whilst the YUFERING project is hoping to develop community engagement-based research and innovation.

Essex is also part of YERUN - Young European Research Universities Network - which brings together 22 like-minded young universities from across Europe, with the aim to strengthen and develop cooperation in research, academic education and service which benefits society.



## Education at Essex

In 2021-22 we welcomed 7,076 new students. In total, 18,229 students studied undergraduate and postgraduate degrees with us.

### The student experience

We believe Essex research should add value to the student experience which is why our research mindset is at the heart of our education offer. Through our Undergraduate Research Opportunities Programme students can contribute to real-life research in their departments.

We offer work placements, internships and study abroad opportunities to help broaden our students' horizons and help them gain valuable experience and skills.

We also encourage the personal development of our students through volunteering, sport, societies and engagement with our Students' Union which was ranked in the top 20 in the UK for its clubs and societies by the StudentCrowd University Awards 2022. In 2021 our Refugee Teaching Programme won at the National Societies and Volunteering Awards. Our Students' Union is 7th in the National Student Survey 2022 for representing students (Broad discipline English universities).

## Employability and development initiatives

We offer a comprehensive range of employability and careers initiatives, including the Big Essex Award, which helps showcase the extra-curricular achievements of our students and provides concrete proof to employers about how employable they are. Students can also browse over 190 development activities and log their achievements using Chart my Path.

Other career development initiatives include our career mentoring programme, online careers events and one-to-one support, as well as an internships programme which offers opportunities for developing skills and experience, while providing businesses with the chance to benefit from students' knowledge, skills and expertise.

Our Click crowdfunding platform supports students wanting to raise money to get their ideas off the ground. Since 2015, 380 projects, involving 1,525 students, have been supported by nearly £500,000 thanks to the generosity of over 6,000 donors (including match-funding from alumni and friends of the University).

We know that a degree is about more than a specialism which is why we offer Languages for All, a free one-year language course, as part of every undergraduate degree. This year, we also launched Data for All, which offers every student the chance to gain the essential data skills many employers are demanding, at no additional cost.

We believe our graduates benefit society, and the companies and organisations they work for thanks to their research mindset, critical thinking, creativity, intellectual independence, excellent communication skills and leadership ability.

## Teaching and education

To ensure our students get the most innovative teaching, we encourage ongoing staff development and celebrate success through annual Excellence in Teaching Awards. Academics also have the opportunity to gain professional recognition as Fellows of the Higher Education Academy (HEA) through our CADENZA programme.

### Case study: national recognition for teaching innovation

Dr Liam Jarvis, from the Department of Literature, Film, and Theatre Studies was named Most Innovative Teacher at the 2021 Times Higher Education (THE) Awards for his quick thinking and imaginative response to the COVID-19 2020 lockdown.

Dr Jarvis was one of eight UK lecturers shortlisted for the national award. He was recognised for transforming his intensive creative theatre workshop into a unique online learning experience in a matter of weeks, ensuring his students didn't miss the chance of a lifetime to work with actor and director Mella Faye.

Dr Jarvis sent 25 virtual reality headsets around the world allowing his students to watch performances, take part in storytelling workshops and pitch their own reinvention of a Greek myth, from wherever they were in the world.

Judges said Dr Jarvis "stood out for how he made the rapid pivot from planned face-to-face practice to offer students impactful remote virtual experiences in theatre and drama. This enabled learning communities to be built across the world, inspiring new creations by students which modelled new forms of theatre."



## Ten years of transformational teaching

This year, the ground-breaking Edge Hotel School, the first hotel school of its kind in the UK when it opened in 2012, celebrated ten years of delivering academic learning with practical experience in the fully-commercial 4\* Wivenhoe House hotel based at our Colchester Campus.

The School's onsite innovative learning style has been praised by students and hospitality industry professionals for fully preparing students for the workplace. In its first ten years it has racked up a string of achievements including a top ranking for student satisfaction, helping a graduate reach the semi-finals of The Apprentice, a hotel of the year award shortlisting and sending students to The Brits.

## New teaching facilities

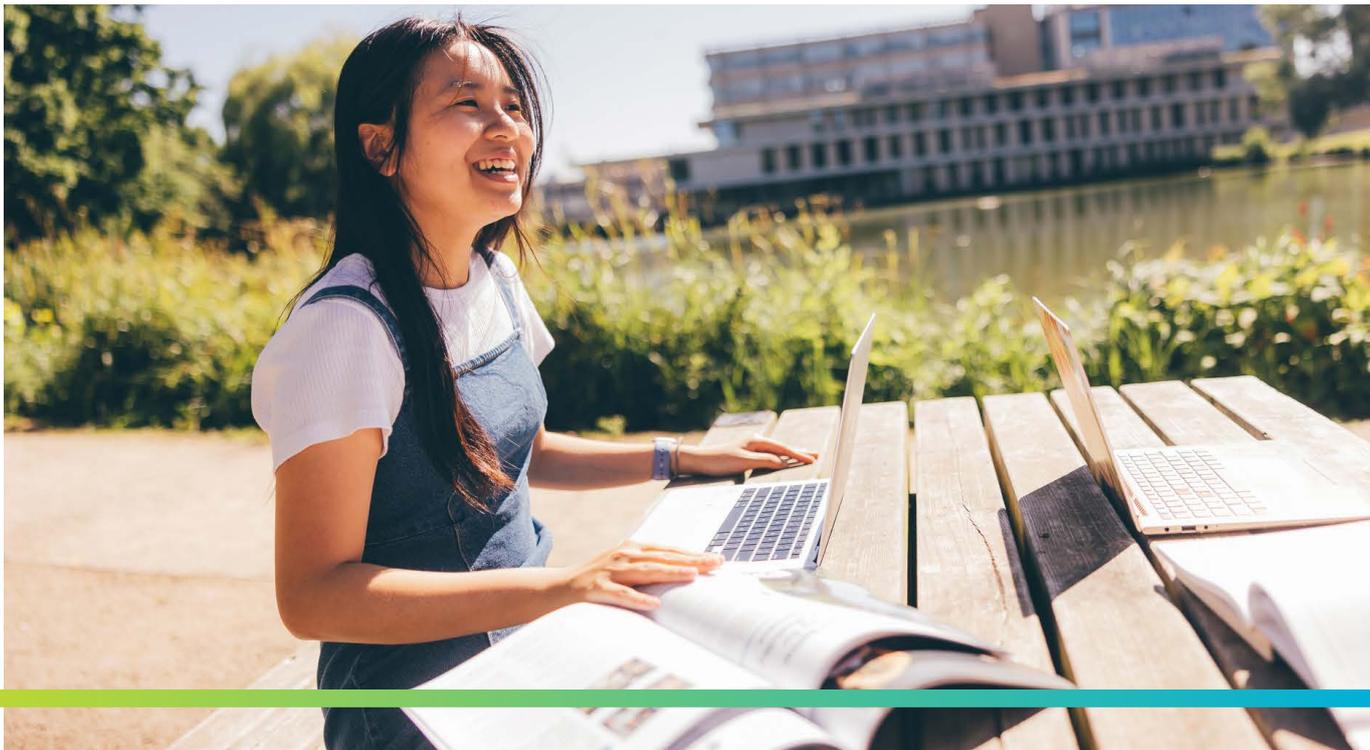
We are constantly working hard to improve and expand our teaching spaces to meet the demands of twenty-first century higher education.

Highlights in 2021-22 include a new 1,000sqm nursing suite, occupational therapy teaching spaces and consultation training rooms providing teaching capacity for over 300 students in our School of Health and Social Care. A new marine biology teaching lab in the School of Life Sciences, with an adjoining space for a coral farm, can accommodate 50 students and in the School of Sport, Rehabilitation and Exercise Sciences new facilities include a sports science lab with a running track with pressure pads built into the floor and tracking cameras.



## 2021-2022 student achievements

- Final-year students completing the first year of our interdisciplinary module Democracy in Action, which is delivered in partnership with Citizens UK, contributed to real change in the local community, gaining experience in community organising and campaigning along the way.
- Marina Cusi Sanchez, who wrote a play that kickstarted a sexual harassment campaign, successfully launched her own theatre company to create engaging theatre exploring human rights issues through a feminist lens, with help from our Innovation Centre and Essex Start-Ups team.
- Masters student and Essex Rebels basketball player Claire Paxton was selected by Team Scotland to represent her country in the 3X3 basketball event at the Commonwealth Games in Birmingham after playing a pivotal part in the Essex Rebels WBBL side and the University of Essex's BUCS winning championship team.
- International Masters students Changgan Li and Harsh Madan spent ten weeks coaching top players at Colchester United Football Club with the Club's Community Team, for their Coaching Science degrees.
- Law postgraduate student Samantha Howlett won the Best Contribution by an Individual Award at the LawWorks and Attorney General Student Pro Bono Awards in recognition of her work with the Essex Law Clinic.
- East 15 Acting School student Daisy Franks jointly won the Best Actor in a Supporting Role Award at the Olivier Awards for her work in Life of Pi on the West End.
- History research student Lewis Smith helped the Jewish Museum London create an interactive digital map revealing more about those who sought sanctuary in the Jews' Temporary Shelter in post-war Britain.
- Essex Business School student Oluwatosin Adebola-Akande became the first Nigerian student to complete a three-month policy placement with the Open Innovation Team, a cross government unit that works with universities to generate analysis and ideas for policy.



## Supporting the next generation of researchers

Essex is a leader in doctoral training and developing the next generation of researchers. We are part of several doctoral training partnerships offering training and funding:

- The Advanced Research and Innovation in the Environmental Sciences programme, including EnvEast, equips postgraduate research students with the skills to become leaders in the science and sustainable business of the natural environment.
- The Consortium for the Humanities and the Arts Southeast England offers PhD studentships and research-led training across the arts, humanities and creative practices.
- The South East Network for Social Sciences offers studentships and advanced research training in a range of disciplines in the social sciences.
- The Social Biological Centre for Doctoral Training helps postgraduate researchers investigate the interplay between a person's biology, experiences and behaviour throughout their lives.

Through these initiatives we work with other leading higher education institutions to promote excellence in research, postgraduate research training and knowledge exchange.

We are also a member of the Eastern Academic Research Consortium which provides opportunities for collaborative research and studentships in quantitative social science, digital humanities and synthetic biology.

## Meeting different study needs

We offer various routes to an Essex degree to meet the needs of different students.

Our Higher and Degree apprenticeships, delivered by Essex Business School and the School of Health and Social Care, combine on-the-job training and academic study.

Last year we welcomed our first cohort of Psychological Wellbeing Practitioner apprentices with more opportunities for students to join as apprentices in October 2022.

For those who want to study remotely, we offer undergraduate and postgraduate degrees, in collaboration with Kaplan Open Learning, through University of Essex Online. Students can study for an Essex degree via our partners, including the University of Essex Online, Kaplan Singapore, and Brickfields Asia College in Malaysia.

## Student volunteering

Our students are central to the positive effect we have on our local communities. We are proud of our students' achievements in volunteering and social action.

Every year the Students' Union VTeam helps students deliver thousands of hours of volunteering across a whole range of projects, such as volunteering on our Refugee Teaching Project to teaching local schoolchildren, and supporting conservation projects to decorating local community centers.

These activities not only benefit the community but also the students themselves, as they develop skills that boost their future employability.

This year the Wellbeing Ambassadors project was recognised with a Wellbeing Award at the National Society and Volunteering Awards, and the Lend A Hand Project received two awards at the Braintree District Volunteer Awards for their work at the First Stop Centre.

## An inclusive community where everyone can succeed

We admit students on the basis of their merits, abilities and potential, regardless of race, ethnicity, gender identity, disability, age or other irrelevant distinction, and our living and learning environment provides opportunities for everyone.

We ensure all students have equal opportunity to succeed both during their time at university and after they graduate. That's why we provide employability opportunities for everyone and support for under-represented groups in getting the experience they need to secure graduate level jobs.

Our Sanctuary Scholarships support students who are refugees or seeking asylum to study for Postgraduate Taught Masters while our Gypsy, Traveller, Roma, Showman and Boater (GTRSB) Higher Education Pledge helps us raise awareness of the history and culture of the GTRSB community and support GTRSB students in the community as well as GTRSB students on our campuses.

This year we made a new commitment to support the next generation of Black researchers. With funding from Research England, matched by the University, our Transitions and Transformations: Black Researcher's Journey project will tackle persistent inequalities that create barriers for Black, Asian and minority ethnic students to access and take part in postgraduate research.

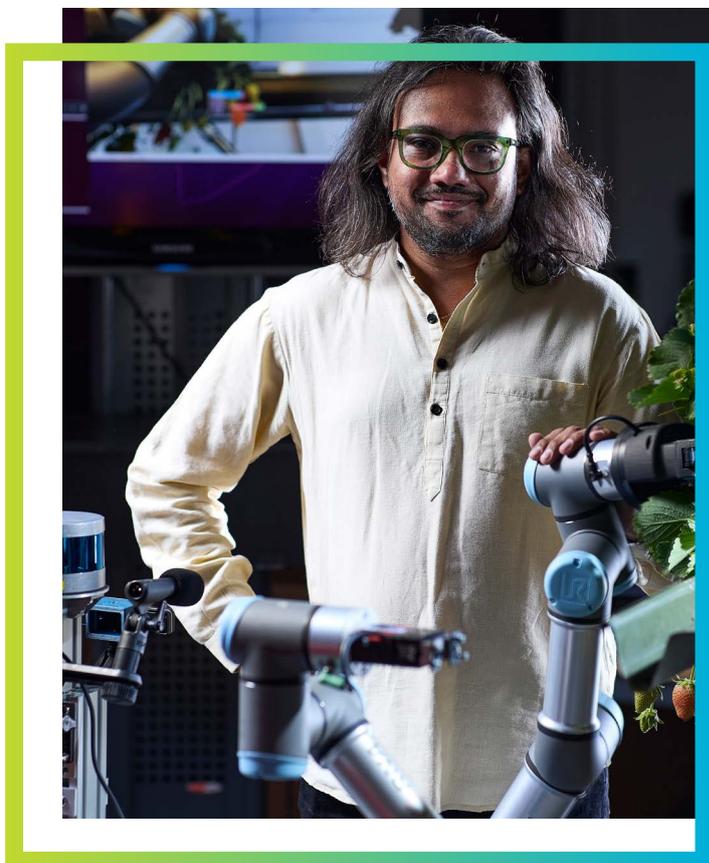
## Research at Essex

We are one of the leading research-intensive universities in the country with a top 25 ranking for research quality in The Times and The Sunday Times Good University Guide 2022.

In spring 2022 the Research Excellence Framework (REF) 2021 results were published, consolidating our reputation as a powerhouse for social sciences. We were ranked in the top ten in the UK for economics and econometrics, modern languages and linguistics, politics and international studies, and sociology for research quality (Grade Point Average, REF 2021). Additionally, we were ranked in the top 20 for art history, law and philosophy (Grade Point Average, Research Excellence Framework 2021). We were also ranked in the top ten in the UK for research quality for computer science, economics and econometrics, law, politics and international studies, and sociology (Times Higher Education 2022).

Other standout results from REF 2021 were:

- 83% of our research output is world-leading or internationally excellent and three subjects were in the top ten in the UK for research output.
- 100% of our research impact is world-leading or internationally excellent for ten subjects and four subjects were in the top ten for research impact.
- 100% of our research environment is world-leading or internationally excellent in seven subjects.



## Beneficiaries of our research

- **Students** benefit from our research-led teaching.
- **Government bodies, non-governmental organisations** and regional, national and international **businesses** benefit from our knowledge exchange and partnership opportunities.
- **Individuals and wider society** benefit from our research which engages with current issues to improve the quality of people's lives and inform debates and policy development and implementation.

## Communicating our research excellence

Our academics share their work through publication in internationally-recognised journals and via our University of Essex Research Repository.

We are a partner of online news site The Conversation, which publishes news and views written by researchers. To date, Essex academics have contributed almost 700 articles, read more than 23.8m times globally.

Our Louder Than Words Podcast series encourages discussions, offers a platform to people making a difference – including our researchers – and aims to explain how you can take action on issues you care about. Episodes have been listened to more than 7,000 times and are available on Spotify, Apple Podcasts, Amazon Music and Google Podcasts. This year, we launched our Brighter Futures online film series which gives our researchers the opportunity to discuss how their research is improving policies.

Our researchers engage with print, broadcast and online media to inform public debates about everything from air pollution to international relations.

## Our global research reputation

We have a global reputation in human rights, social scientific research and data analytics. Our flagship institutes allow academics to work together across disciplines and deliver research which offers practical insights and impact.

Our world-renowned Human Rights Centre, Institute for Analytics and Data Science and Institute for Social and Economic Research engage with national and international partners from NGOs and national governments to the European Union and United Nations.

In 2013 Her Majesty the Queen conferred a Regius Professorship of Political Science on Essex, recognising 50 years of excellence in research and education in political science.

Each year we recognise the positive impact our researchers make on people's everyday lives at our Celebrating Excellence in Research and Impact Awards.

### Case study: Institute of Public Health and Wellbeing

In 2022 professionals from across the health and social care sector helped us launch our new flagship research institute, the Institute of Public Health and Wellbeing (IPHW).

The IPHW draws on the University's unique combination of expertise in artificial intelligence, advanced data analytics and social and economic research, coupled with medical approaches, to develop its research agenda. It will build new partnerships with healthcare delivery organisations, charities, and communities to ensure Essex research influences practice and policy.

Within months of its launch, it had signed its first international partnership with the World Heart Federation to support a new global World Heart Observatory which will use data collection and analysis to tackle global heart disease.

## Our research environment

We are committed to the highest ethical and professional standards and have clear procedures and governance to ensure the integrity of our research.

We've developed a Researcher Development Framework which helps ensure our researchers can gain all the skills and training they need, and access all the resources available to help them maximise the potential of their work.

## Research highlights

Researchers at Essex are making an impact locally, nationally and globally.

### Case study: Funding will unlock potential of agri-tech research

The Essex Plant Innovation Centre (EPIC) will increase the impact of its agri-tech research after securing funding worth £100,000 from UK Research and Innovation (UKRI).

The funding will accelerate the impact of Essex research addressing the biggest challenges facing farmers and all those working in the agricultural and horticultural sectors by supporting early-stage commercialisation, encouraging strategic partnerships and supporting innovation.

The award is part of £118 million being invested by UKRI across the country in to accelerating UK bright ideas into global opportunities.

The aim is to unlock the value of research to transform public services, create new jobs, attract private investment and forge new partnerships with business and charities.

Committed to improving people's lives, our research community is engaging with some of the world's most pressing issues:

- Scientists from the School of Life Sciences were jointly awarded £1.5 million by the Medical Research Council to examine genes function to better understand Alzheimer's disease.
- Research by the Institute for Social and Economic Research into the impact of school closures on children's wellbeing helped inform advice given by the Chief Medical Officer as the Government considered the introduction of vaccines for 12 to 15-year-olds.
- Essex scientists revealed that measures to address climate change and reach the Paris Agreement will not succeed unless the ocean is taken into account.
- Psychologist Dr Marie Juanchich showed that ambiguous NHS statements about COVID-19 meant the public misunderstood the threat and possibly led to lower adherence to protective measures.
- An oral history project exploring women's health experiences helped historians create a new schools toolkit to support health and wellbeing teaching.
- Scientists discovered how the first plants on Earth evolved the mechanisms used to control water and to 'breathe' on land hundreds of millions of years ago.

- The School of Health and Social Care launched a two-year project to improve social workers' knowledge of acquired brain injury.
- Autonomy experts gave written and oral evidence to the Parliamentary Joint Committee on Human Rights on how COVID-19 restrictions impacted human rights in care homes, which was later cited in the Committee's report.
- Legal research on police accountability and the role of Police and Crime Commissioners, was cited in a major nationwide review of policing.
- A researcher in the Department of Sociology secured funding from the Leverhulme Trust to explore the true impact of immigration on communities in Britain.
- An Essex-developed cutting-edge AI development that could boost smartphone battery life by 30 per cent and shave countless kilowatts from energy bills has been unveiled to technology giants.
- Researchers from the School of Life Sciences are investigating the genetic differences that underpin the higher rates of prostate cancer in Black men.



## Community engagement

### Schools' outreach

Our broad outreach programme welcomes schoolchildren to our campuses to explore higher education and collaborate with us, attend lectures about our research and enjoy our full and varied arts programme.

We are committed to ensuring all students with the potential to succeed, no matter what their background, have the opportunity to understand more about Essex and the benefits of a university education. Our Access and Participation Plan sets out that commitment.

We are the lead institution for Make Happen – part of the Office for Students' UniConnect programme – which last year won a national award for boosting opportunities for young people. Through our University outreach activity, we engaged with over 7,000 students from nearly 70 schools and colleges. Make Happen engaged with a further 18,000 students from 188 schools, both within Essex and nationally. Despite the ongoing impact of COVID-19 there is a gradual return to in-person and on-campus activity. As well as online mentoring and virtual workshops we have run a number of campus visits as well as several residential opportunities for students. These activities, as part of an aspirational programme for schools and colleges, help us meet our Access and Participation Plan targets for students from under-represented groups.



This year our VI6 project, which enables local A-level students to study at our Colchester Campus, has been awarded a silver Pearson National Teaching Award for Impact through Partnership, highlighting our commitment to supporting local students to achieve their full potential.

We have a number of specific outreach activities that enable young people to learn from our expertise and engage in important debates. Our flagship scheme, the Dora Love Prize, celebrated its tenth anniversary this year. The Prize, which teaches young people that they have the power to stand up to hatred, discrimination and intolerance by asking them to explore how the Holocaust relates to the world around them today, was described as a “beacon of hope” by the Holocaust Memorial Day Trust. For the first time ever, an international school, from West Vancouver in Canada, took part.

### Making our expertise accessible

Many of our facilities, including the Albert Sloman Library, are open to the public; there are opportunities through initiatives such as the BabyLab for members of the public to take part in our research, and we have a number of health services and clinics that serve our wider community.

An annual programme of departmental and institutional public events, such as debates, lectures and film screenings allow the public to engage in research debates.

Specific events include our Festival of Social Science programme, which this year took place after the COP 26 UN Climate Change Conference and responded directly to the themes discussed.

We also took our research out of the labs and into the heart of Colchester for the Pint of Science festival. Over the course of three nights, our world-leading researchers gave sell-out talks in four venues for the first time since the pandemic.

Our School of Law and Human Rights Centre run several initiatives that support local communities, including the Human Rights Local project which shows how human rights are closely linked to everyday life by working with local and community groups, local authorities and other stakeholders, and the Essex Law Clinic which offers free legal services to the local community, and also educates people about their legal rights and obligations.

Innovative students too have found ways to engage the public with their research. History Indoors, an initiative founded by PhD students from the Department of History, has delivered more than 80 online talks with the help of 24 volunteer doctoral students from four institutions. The team's 254 YouTube videos have been viewed 80,000 times and they have over 1,300 followers on Twitter.

## Working with business

We are committed to stimulating economic growth and nurturing cultural and social development. We aim to share our world-class research through commercial applications that make the world a better place.

### Knowledge Gateway

Angels@Essex is based at the Knowledge Gateway research and technology park on our Colchester Campus and matches investors with those needing funding. It was launched by the University of Essex in May 2020 as part of the University Enterprise Zone project, supported by Research England. To date, 38 businesses have shared £19.155 million and a further £9.5 million has been raised in an additional 15 funding rounds by businesses that have received Angels@Essex mentoring support.

The platform's success shows the huge potential of the Knowledge Gateway research and technology park to drive growth in the East of England. Investors are backing Angels@Essex, companies are being supported, Essex researchers are providing their expertise and the University is fast becoming the location of choice for knowledge-based enterprises in science, technology and the creative sector.

It has been a long-term ambition to become a national centre of excellence for businesses in high-value, knowledge-based sectors linked to the University's research expertise. We have invested over £80 million in the 43-acre Knowledge Gateway, which includes Parkside Office Village and the Innovation Centre – which together provide 71,000 square feet of office space – as well as Essex Business School.

The first two phases of Parkside are home to 30 businesses with 250 employees. Work has started on the £14m next phase of Parkside providing a further 41,571 square feet of offices which will be completed in 2023 and will provide a new home for businesses plus the Institute of Public Health and Wellbeing.

The Innovation Centre provides space, plus hands-on support, to up to 50 start-ups and businesses looking to grow.

Together these vibrant spaces provide accommodation, meeting and conference rooms, communal areas for business networking, and vital hands-on support to help start-up companies, and those ready to scale up their business to succeed.

Parkside is also home to our academic centres, the Institute of Analytics and Data Science and the ESRC Business and Local Government Data Research Centre and the Institute of Public Health and Wellbeing.

In 2019, the Knowledge Gateway was designated a University Enterprise Zone with Research England and the UK

Government, providing £800,000 towards a £1.3 million project to nurture digital and creative businesses. Alongside the success of the Angels@Essex platform, the Space to Grow programme has delivered over 755 one-to-one sessions and 96 webinars providing support to 1,250 budding entrepreneurs. The funding has also enabled us to greatly improve Wi-Fi access across the whole of the Colchester Campus, as well as providing new high-tech equipment and software to support our student business start-up programme, which is based in Studio X at the Innovation Centre.

### Knowledge Transfer Partnership success

Knowledge Transfer Partnerships (KTPs), funded by Innovate UK and reporting to the Department for Business, Energy & Industrial Strategy, bring together businesses and universities to develop new products, services or technologies, driven by research.

Essex is currently the number one university in the UK for active Innovate UK funded KTPs, with 40 KTP projects. In addition to the 40 active KTPs, to date the team has successfully completed 55 KTPs to the value of over £10m. Our KTPs cover many industrial sectors, including:

- Technology
- Telecommunications
- Logistics
- Finance
- Legal Services
- Defence
- Agriculture
- Manufacturing



## Student employability and entrepreneurship

Our internships programme offers students and graduates the chance to develop their skills and experience, while providing businesses the chance to benefit from their knowledge, skills and expertise. Many interns have secured long-term jobs and feedback indicates businesses have gained significant economic benefits.

We continue to extend our work placement programme and our students have the opportunity to work at leading companies as part of their course.

The Essex Startups team supports students and graduates who are interested in starting their own business and want to discuss, develop, test and launch their ideas. Support includes one-to-one advice sessions, business bootcamps, workshops and webinars, and access to funding opportunities.

## Art and culture

### Keeping theatre alive

We have a theatre on each of our three campuses at Colchester, Southend and Loughton offering professional and student-led productions which provide a vibrant drama scene for both our on-campus and local communities.

### Essex Book Festival

We continue to be a valued supporter of Essex Book Festival. The 2022 programme included events featuring researchers from our Department of Literature, Film, and Theatre Studies and School of Life Sciences, as well as a headline lecture by author Carole Angier at our Colchester Campus.

### Art on campus

The Essex Collection of Art from Latin America (ESCALA) comprises 750 works, and provides teaching and research space for students, staff and the wider community. We display works from the collection across our Colchester Campus and the whole collection is accessible online.

Art Exchange, our Colchester Campus gallery, has a year-round programme of events and exhibitions attended by our campus community as well as members of the public. Events this year included exhibitions, workshops, talks, classes and events as well as an annual exhibition curated by our MA Curating students.



# Corporate Governance Statement

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## Corporate Governance and Accountability Arrangements

The University is a higher education provider incorporated by Royal Charter. The University's governing body, Council, is committed to achieving high standards of corporate governance in line with accepted best practice.

The University is compliant with the Committee of University Chairs' (CUC) higher education Code of Governance issued in September 2020, and the higher education senior staff remuneration code, published by the CUC in June 2018. The University also adopted the CUC Higher Education Audit Committees Code of Practice (May 2020). The Remuneration Committee has an ongoing review process to ensure the University aligns with the CUC's reporting guidelines.

In 2019-20, the University commissioned Advance HE, a sector-owned charity that specialises in higher education governance, to undertake an external review of the University's governance arrangements and Council effectiveness. Advance HE concluded that "the standard of governance at Essex is very good with independent governors being committed and passionate, supported by an open culture" and "comfortably place[d] governance at Essex in the top quartile of the sector". Throughout 2021-22, the University has continued to enhance its governance arrangements through the implementation of the resulting Council-approved action plan. This work has included undertaking a review of the size and shape of Council, again with the support of Advance HE, to ensure that Council can operate as efficiently and effectively as possible for many years to come. The review is expected to conclude in Autumn 2022.

In 2020-21, Advance HE was appointed to undertake a University-commissioned external review of the Students' Union's governance structures, with a particular focus on Council's oversight arrangements. In its report to Council in May 2021, Advance HE confirmed that the University of Essex Students' Union has "sound foundations of governance". In keeping with the University's commitment to continuous improvement, an action plan to further enhance the Students' Union's governance arrangements and Council oversight was endorsed by Council in July 2021. Council continues to monitor the progress made by the Students' Union.

## The University Council

Members of Council are the trustees of the University, which is an exempt charity. The University's Council comprises ex officio external members, external members, a student member, ex officio appointed employees, employees elected by Senate and an employee elected by professional services staff. Of its 25 members, a majority are members drawn from outside the University.

The roles of Chancellor and Pro-Chancellor (including the Chair of Council) are separated from the role of the University's Chief Executive, the Vice-Chancellor. The two Pro-Chancellors not appointed as Chair of Council perform the role of Senior Independent Director.

The Council of the University has adopted a Statement of Primary Responsibilities, which is published on the University website (Ordinance 10). The statement sets out the Council's responsibilities in respect of powers of appointment and employment, financial and legal powers, planning, monitoring, control and student welfare. The Council held four Ordinary meetings and three Special meetings during the year, and one full away day. A series of additional training, development and engagement opportunities were offered between meetings, as were regular briefings and updates on key issues. The third annual meeting of the Senate and the Council was held in July, to which members of the Students' Union Trustee Board were also invited.

## Responsibilities of the Council

Council is responsible for preparing the Strategic Report, the Public Benefit Statement, the Corporate Governance Statement and Statement of Internal Control, and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Council 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 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

## Responsibilities of the Council (continued)

Council is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, Council is required to:

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

Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University. It is responsible for such internal controls as it determines is necessary to enable the preparation of financial statements, ensuring that they are free from material misstatement, whether due to fraud or error. Council has a 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 and Research England have been applied in accordance with the terms and conditions attached to them;
- Ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- Securing the economical, efficient and effective management of the university's resources and expenditure.

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.

## Statement of Internal Control

The key elements of the University's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and authority delegated to, heads of academic departments and administrative sections;
- a short and medium term planning process, supplemented by detailed annual income, expenditure and capital budgets;
- Regular reviews of academic performance and financial results involving variance reporting and updates of financial outturns;
- Defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to appropriate levels set by Council;
- Financial Regulations, including financial controls and procedures, approved by Council on the recommendation of the Audit and Risk Management Committee;
- a professional Internal Audit team whose annual risk-based programme is approved by the Audit and Risk Management Committee. The Head of Internal Audit expressed the following opinion for the year ending 31 July 2022: "The University's arrangements for risk management control and governance, and economy, efficiency and effectiveness are adequate and effective. This does not mean that all aspects are adequate and effective, but there are no indications of a material weakness in them. A material weakness is defined as one that could lead to a significant impact on the business, operations or standing of the University."
- Regular reports on internal control, compliance and risk received and reviewed by the Audit and Risk Management Committee which in turn are reported to Council which cover all controls (financial, business and operational);
- Risk identification and management arrangements which include a Strategic Risk Register which contains weightings (of likelihood and impact) linked to the Strategic Plan which also informs the Internal Audit planning process.

Any system of internal control or risk management is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

## The Committees of Council

The Council delegates some business to a number of committees:

- Audit and Risk Management
- Policy and Resources
- Nominations
- People Supporting Strategy Committee
- Remuneration

All of these committees are formally constituted with published terms of reference. The disclosures in relation to these committees follow those in respect of Council itself.

The Audit and Risk Management Committee has no executive responsibility and comprises solely external members, at least two of whom (excluding the Chair) are external members of Council, and at least one of whom has recent and relevant experience in finance, accounting or auditing.

Audit and Risk Management Committee relies on the work of internal and external audit, on information provided by management and on management responses to the questions it raises. The identification and management of risk is an ongoing process specifically linked to the objectives in the Strategic Plan and is monitored closely by Audit and Risk Management Committee. Audit and Risk Management Committee reports on the results of risk identification, evaluation and management to Council, which also receives the Strategic Risk Register for regular review. The Committee met four times in the year.

The responsibilities of the Audit and Risk Management Committee include:

- Reporting to Council annually on the effectiveness of the internal control system and the pursuit of value for money, together with an opinion on risk management and data quality;
- Advising on the appointment of the Internal Auditor and approval of the internal audit plan;
- Receipt of both an annual report from Internal Audit, which includes an opinion on the degree of assurance of the University's system of internal control, and a report on each assignment including recommendations; and
- Advising the Council as necessary on the appointment of the External Auditors, to receive their reports and review their performance and effectiveness.

Internal Audit is responsible for providing an objective and independent appraisal of all the University's activities. The Internal Audit work programme is risk-based and is updated to take account of changes in the University's risk profile. Progress made on recommendations by the University is monitored by Internal Audit and reported to the Audit and Risk Management Committee.

In respect of its development, strategic management and financial responsibilities, Council receives recommendations and advice from the Policy and Resources Committee. The Committee met five times during the year. Both Council and Policy and Resources Committee receive reports on business, operational and compliance matters from the University Steering Group.

The Nominations Committee makes recommendations for the appointment or re-appointment of members of Council, its committees and Court. The Committee met three times during the year.

The People Supporting Strategy Committee provides oversight of the University's People Supporting Strategy and workforce plan, and makes recommendations to Council regarding strategic people policies, plans and strategic framework for reward and recognition. The Committee met twice during the year.

The Remuneration Committee determines the annual remuneration of the most senior staff, including the Vice-Chancellor. The Committee met twice during the year.

## The University of Senate

The Senate is the highest academic authority of the University. It is responsible for the promotion of academic work in both teaching and research, for the regulation of educational arrangements and the maintenance of discipline. It receives quality audit reports from both external regulators and in-house departmental reviews. Five members of Senate are appointed to Council for a period of three years, following election by and amongst the members of Senate.

## The University Court

The University Court is a formal body established under the Charter and Statutes. Its main function is to receive a report from the Vice-Chancellor on the workings and sustainability of the University since the last meeting. The Annual Meeting took place at our Colchester Campus on Friday, 24 June 2022.

### Council Members (Trustees)

The following table outlines membership of the University Council during 2021-22.

	Terms of appointment		
	Term 1	Term 2	Term 3
<b>External members (10)</b>			
Alexa Coates	27.11.17 - 31.7.20	1.8.20 - 31.7.23	
Obum Ekeke	1.8.21 - 31.7.24		
Simon Hall	1.8.16 - 31.7.19	1.8.19 - 31.7.22	1.8.22 - 31.7.25
Kathryn Harrison-Thomas	1.8.19 - 31.7.21		
Stephanie Hilborne	4.4.19 - 31.7.21	1.8.21 - 31.7.24	
Pravina Ladva	1.8.20 - 31.7.23		
Melanie Leech	4.4.19 - 31.7.21	1.8.21 - 31.7.24	
Danny Lopez	19.5.20 - 31.7.22		
Geoffrey Probert	1.3.14 - 31.7.17	1.8.17 - 31.7.20	1.8.20 - 15.3.22
Dr Adam Wright	1.8.16 - 31.7.19	1.8.19 - 31.7.22	
Vacancy	1.8.21 - 31.7.22		
Vacancy	15.3.22 - 31.7.22		
<b>Ex officio members (7)</b>			
Jane Hamilton, Pro-Chancellor/Chair Pro-Chancellor/Chair from: 1.8.19	1.8.15 - 31.7.18	1.8.18 - 31.7.21	1.8.21 - 31.7.24
Paul Jackson, Pro-Chancellor Pro-Chancellor from 1.8.20	1.1.17 - 31.7.19	1.8.19 - 31.7.22	1.8.22 - 31.7.25
Milan Makwana, Pro-Chancellor Pro-Chancellor from 19.2.19	1.8.14 - 31.7.17	1.8.17 - 31.7.20	1.8.20 - 31.7.23
Tim Porter, Treasurer Treasurer from 1.8.16	1.8.14 - 31.7.17	1.8.17 - 31.7.20	1.8.20 - 31.7.23
Professor Anthony Forster, Vice-Chancellor	N/A		
Professor Lorna Fox O'Mahony, Deputy Vice-Chancellor	1.8.20 - 31.7.22	1.8.22 - 31.7.25	
Nashwa Alsakka, President of the Students' Union	1.7.22 - 30.6.23		
Samira-Caterina Monteleone, President of the Students' Union	1.7.21 - 30.6.22		

## Council Members (Trustees) (continued)

The following table outlines membership of the University Council during 2021-22.

	Terms of appointment		
	Term 1	Term 2	Term 3
<b>Appointed members (2)</b>			
Professor Nancy Kula, Dean of Partnerships (Education)	1.7.21 - 30.9.21		
Dr <sup>1</sup> Anney Lax, Dean of Partnerships (Education)	1.10.21 - 30.9.24		
Professor Sanja Bahun, Dean of Postgraduate Research Education	1.8.18 - 31.7.21	1.8.21 - 31.7.24	
<b>Members elected by Senate (5)</b>			
Fiona Elsted	1.8.19 - 31.7.22		
Dr Nilufer Demirkan-Jones	1.8.16 - 31.7.19	1.8.19 - 31.7.22	N/A
Professor Monika Schmid	1.8.19 - 31.12.21		
Professor Shane Martin	1.8.20 - 31.7.23		
Dr Stevphen Shukaitis	1.8.20 - 31.7.23		
Vacancy	1.1.22 - 31.7.22		
<b>Member elected by the non-academic staff (1)</b>			
Dr Ray Lashley	1.8.19 - 31.7.22		

<sup>1</sup>Dr from 4 May 2022

# Independent Auditor's Report to the Council of the University of Essex

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of the University of Essex ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows and related notes, including the accounting policies.

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- Have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

### Basis for opinion

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

### Going concern

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

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

Our conclusions based on this work:

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

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

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

### Identifying and responding to risks and 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 and Risk Management Committee, Internal Audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Management Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships or transactions.

## Identifying and responding to risks and material misstatement due to fraud (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 only identified a fraud risk in relation to research grant income due to the nature and complexity of accounting for these transactions. However, for tuition fees and other income we have rebutted this risk due to the low volume of tuition which spans the year end cut off period and the size and nature of other income streams.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to research grant income or cash where the other side was to an unusual account.
- For a sample of income recognised in the period 1 July 2022 to 31 August 2022, we have assessed whether the income had been recognised in the appropriate accounting period by confirming the date of delivery of the relevant good or service;
- Reperformance of a sample of year end deferred income adjustments, to assess the accuracy of the adjustments recognised; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and certain aspects of company legislation recognising the financial nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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

## Other information

The Council is responsible for the other information, which comprises the Strategic Report, the Public Benefit Statement, the Corporate Governance Statement and Statement of Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

## Council responsibilities

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

## Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## Report on other legal and regulatory requirements

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

In our opinion, in all material respects:

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

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

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 8 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 6 to the financial statements has been materially misstated.

We have nothing to report in these respects.

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to Council in accordance with the Articles, Charters, Statutes or Ordinances of the University. Our audit work has been undertaken so that we might state to Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and Council for our audit work, for this report, or for the opinions we have formed.

## Benjamin Lazarus for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

30 November 2022

# Accounting Policies

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## Statement of Compliance

These consolidated and Institution 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 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.

## Basis of preparation

The financial statements are prepared on the basis of going concern and in accordance with the historical cost convention (modified by the revaluation of certain categories of fixed assets). The Group and parent University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

## Going Concern

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

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

The budget and financial forecasts for 2022-23 and future years have been prepared with the inclusion of significant contingency budgets to support financial risk areas, including any student recruitment below our planned minimum entry targets. In addition, we operate a series of future specified decision gates to ensure staff recruitment only commences when there is sufficient confidence around student number indications and new product development, all within the overall context of departmental and institutional. These approaches strongly mitigate any financial and budget risk arising from student recruitment shortfalls against target.

Looking beyond AY 2022-23, the work underway on the Essex 2025 programme will embed and enhance a richer data-informed approach to the development and implementation of the University's education portfolio and curricula, including new product development and refresh of existing provision in line with the strategic priorities set out in the University Strategy and Education Strategy. The programme supports our ambitions to grow to 20,000 students by 2025 by aligning the education portfolio with student needs, future market demands and driving curriculum innovation through new flexible product development.

For 2021-22 the pre-audit cash surplus forecast, at £13.4m, equates to 4.8% of total income.

The Group and parent University had immediately available cash reserves of £73.8m as at 31 July 2022 and access to £40m through a revolving credit facility.

At 31 July 2022 the Group and parent University had long term debt of £143m with £80m expiring 2043, £50m expiring in 2037 and £15m expiring in 2047.

Based on indicative student registrations, which presents a position where total fee income is expected to be close to budget, the risk of any breach of banking covenants during the review period (August 2022 to November 2023) is very minimal.

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

## Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions. Joint ventures are accounted for using the gross equity method.

## Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Items in the financial statements where these judgements and estimates have been made include the treatment of the Universities Superannuation Scheme (USS) as a multi-employer scheme. The SORP makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as 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 contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the Statement of Comprehensive Income. The scheme provided by USS meets the definition of a multi-employer scheme and has therefore been recognised at the discounted fair value of contractual contributions under the funding plan in existence at the date of approving the financial statements.

## Income recognition

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

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

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

## Grant funding

Revenue government grants including funding council block and government research grants are recognised within the Statement of Comprehensive Income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred it is recognised as deferred income within creditors and allocated between credits due within one year and due after more than one year as appropriate.

Capital grants from government or non-government sources are recognised within the Statement of Comprehensive Income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

Other grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive Income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

## Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the Statement of Comprehensive Income when the University is entitled to the income. 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.

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income when the University is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

- Restricted donations - the donor has specified that the donation must be used for a particular objective.
- Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.
- 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.

## Accounting for retirement benefits

The University participates in three principal pension schemes for employees; these are the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS) and the Superannuation Arrangement for the University of London (SAUL). All three schemes are defined benefit schemes which are externally-funded and are contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The USS and SAUL schemes are multi-employer schemes for which it is not possible to identify the assets and liabilities of the University, due to their mutual nature. Therefore they are accounted for as defined contribution retirement benefit schemes.

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

## Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the employer 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.

## Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's obligation is to provide the agreed benefits to current and former employees, bearing actuarial risk (that benefits will cost more than expected) and investment risk (that returns on assets set aside to fund the benefit will be lower than expected). The University should recognise a liability for its obligations under defined benefit plans net of plan assets. This is achieved by estimating the amount of future 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. When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

## Employment benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the

year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

## Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated 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.

## Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

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

## 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.

## Foreign currency

Transactions in foreign currencies are translated to sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

## 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 2019 HE SORP are measured on the basis of deemed cost, being the fair value at the date of revaluation.

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

## Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. For motor vehicles and other items of general equipment this will be between five and ten years. For computer equipment the expected useful life is three years.

Equipment acquired for specific research projects is written off in the year of acquisition along with its matching grant.

Equipment (including computer hardware and software) costing less than £25,000 per individual item, or group of related items which together comprise one operational unit, is written off in the year of acquisition.

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

Costs incurred in relation to buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase expected future benefits to the University. Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Straight line depreciation rates for the student accommodation buildings have been separated out between structure, plant and machinery and fit-out. For structure, depreciation is between 5 and 100 years; for plant and machinery, depreciation is between 5 and 40 years; and for fit-out, depreciation is between 5 and 35 years. All other freehold and leasehold buildings are depreciated on a straight line basis over sixty years, except for certain items of minor work which are written off over twenty-five years.

Where any asset is depreciated, no charge is made to Statement of Comprehensive Income in the year of acquisition. In the year of disposal, however, a full year's charge is made regardless of the timing of the disposal.

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

## Heritage assets

The University holds a collection of paintings, prints and similar artworks acquired through a combination of donations and purchases. It is the University's intention to maintain the collection, the majority of which is on public display in the library. These assets are included in the Balance Sheet at market valuation. The University's external valuer (Lyon & Turnbull) carried out a full valuation of the collection on 18 February 2010. The values were established on the basis of the valuer's assessment of the likely replacement cost at suitable specialist retail outlets, having given consideration to the quality and condition of the items. These heritage assets are not depreciated.

## Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions at 31 July each year.

## Investments

Fixed and endowment asset investments are included in the Balance Sheet at market value unless this cannot be readily ascertained and the yields are unquantifiable and of a long-term nature, for example seed-corn funding. In such instance it is considered prudent to charge the cost of the investment to the revenue account in the year of its acquisition. Increases or decreases in value arising on the revaluation of fixed asset investments are carried to the revaluation reserve. Where a permanent diminution in value of an asset occurs, the excess will be charged to the Statement of Comprehensive Income to the extent that it is not covered by a revaluation surplus. The profit or loss on disposal of an asset is accounted for in the year in which the disposal occurs as the difference between the net sales proceeds and the net carrying amount, whether carried at historical cost or valuation.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's Balance Sheet. Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

Investments in equities and gilts are generally treated as fixed asset investments whilst investments in the form of term deposits with banks and other financial institutions which have less than three months to maturity, are shown as cash and cash equivalents. Current asset investments are included at the lower of cost and net realisable value.

## Stock

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

## 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.

## Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

## Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

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

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

## Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable

Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

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

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax at a future date, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

## Reserves

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

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

# Consolidated Statement of Comprehensive Income and Expenditure

Year ended 31 July 2022

	Notes	Consolidated		University	
		Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Income</b>					
Tuition fees and education contracts	1	176,097	168,026	176,097	168,026
Funding body grants	2	26,586	28,510	26,586	28,510
Research grants and contracts	3	30,164	28,062	30,164	28,062
Other income	4	51,330	36,704	39,170	28,976
Endowment and investment income	5	400	193	360	186
Donations and endowments	6	250	179	250	179
<b>Total income</b>		<b>284,827</b>	261,674	<b>272,627</b>	253,939
<b>Less: Share of income from joint ventures</b>	4	<b>(276)</b>	(291)	<b>0</b>	0
<b>Net income</b>		<b>284,551</b>	261,383	<b>272,627</b>	253,939
<b>Expenditure</b>					
Staff costs	8	150,910	140,817	141,250	133,028
Staff costs associated with USS pension increase	8	47,157	810	47,157	810
Other operating expenses	9	106,442	111,349	104,642	111,015
Depreciation	9	15,578	14,532	14,786	13,747
Interest and other finance costs	9	6,033	6,078	5,967	6,006
<b>Total expenditure</b>	10	<b>326,120</b>	273,586	<b>313,802</b>	264,606
<b>Surplus/(deficit) before other gains and losses and share of operating surplus of joint ventures</b>		<b>(41,569)</b>	(12,203)	<b>(41,175)</b>	(10,668)
Share of operating surplus/(deficit) in joint ventures	15	0	0	0	0
Gain on investments		397	2,168	397	2,168
<b>Surplus/(deficit) for the year</b>		<b>(41,172)</b>	(10,035)	<b>(40,778)</b>	(8,500)
Actuarial (loss)/gain in respect of pension schemes		(999)	(323)	(981)	(730)
Increase/(decrease) in value of joint ventures		4	18	0	0
<b>Total comprehensive profit/(loss) for the year</b>		<b>(42,167)</b>	(10,340)	<b>(41,759)</b>	(9,230)
Represented by:					
Endowment comprehensive income for the year		483	1,587	483	1,587
Restricted comprehensive income for the year		264	791	264	791
Unrestricted comprehensive loss for the year		(42,914)	(12,718)	(42,506)	(11,606)
Revaluation reserve comprehensive loss for the year		0	0	0	0
		<b>(42,167)</b>	(10,340)	<b>(41,759)</b>	(9,230)

All items of income and expenditure arise from continuing operations.  
The notes on pages 46 to 81 form an integral part of these Financial Statements.

# Consolidated and University Statement of Changes in Reserves

Year ended 31 July 2022

Consolidated	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
<b>Balance at 1 August 2020</b>	<b>6,842</b>	<b>3,305</b>	<b>230,751</b>	<b>0</b>	<b>240,898</b>
Surplus/(deficit) from the income and expenditure statement	0	0	(10,035)	0	(10,035)
Other comprehensive income	1,587	791	(2,682)	0	(304)
Transfers between revaluation and income and expenditure reserve	0	0	0		0
<b>Total comprehensive income for the year</b>	1,587	791	(12,718)	0	(10,340)
<b>Balance at 1 August 2021</b>	<b>8,429</b>	<b>4,096</b>	<b>218,033</b>	<b>0</b>	<b>230,558</b>
Surplus/(deficit) from the income and expenditure statement	0	0	(41,172)	0	(41,172)
Other comprehensive income	483	264	(1,742)	0	(995)
<b>Total comprehensive income for the year</b>	483	264	(42,914)	0	(42,167)
<b>Balance at 31 July 2022</b>	<b>8,912</b>	<b>4,360</b>	<b>175,119</b>	<b>0</b>	<b>188,391</b>

University	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
<b>Balance at 1 August 2020</b>	<b>6,842</b>	<b>3,305</b>	<b>245,545</b>	<b>0</b>	<b>255,692</b>
Surplus/(deficit) from the income and expenditure statement	0	0	(8,500)	0	(8,500)
Other comprehensive income	1,587	791	(3,108)	0	(730)
<b>Total comprehensive income for the year</b>	1,587	791	(11,608)	0	(9,230)
<b>Balance at 1 August 2021</b>	<b>8,429</b>	<b>4,096</b>	<b>233,937</b>	<b>0</b>	<b>246,462</b>
Surplus/(deficit) from the income and expenditure statement	0	0	(40,778)	0	(40,778)
Other comprehensive income	483	264	(1,728)	0	(981)
<b>Total comprehensive income for the year</b>	483	264	(42,506)	0	(41,759)
<b>Balance at 31 July 2022</b>	<b>8,912</b>	<b>4,360</b>	<b>191,431</b>	<b>0</b>	<b>204,703</b>

The notes on pages 46 to 81 form an integral part of these Financial Statements.

# Balance Sheets as at 31 July 2022

	Notes	Consolidated		University	
		Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Fixed assets</b>					
Tangible assets	12	389,494	390,959	358,780	361,455
Heritage assets	13	798	798	798	798
Investment properties	12	1,075	880	1,075	880
Investments	14	11,866	11,347	65,620	64,200
Investment in joint ventures	15	90	86	0	0
		<b>403,323</b>	404,070	<b>426,273</b>	427,333
<b>Current assets</b>					
Stocks	16	259	284	158	202
Debtors	17	53,273	42,140	50,504	40,949
Investments	18	38,000	22,000	38,000	22,000
Cash and cash equivalents		73,768	55,016	71,868	54,051
		<b>165,300</b>	119,440	<b>160,530</b>	117,202
Less: Creditors: amounts falling due within one year	19	(96,380)	(74,554)	(108,814)	(89,956)
<b>Net current assets</b>		<b>68,920</b>	44,886	<b>51,716</b>	27,246
<b>Total assets less current liabilities</b>		<b>472,243</b>	448,956	<b>477,989</b>	454,579
Less: Creditors: amounts falling due within one year	20	(186,018)	(167,199)	(176,445)	(157,390)
Pension provisions	21	(82,882)	(34,501)	(81,889)	(34,029)
Other provisions	21	(14,952)	(16,698)	(14,952)	(16,698)
<b>Total net assets</b>		<b>188,391</b>	230,558	<b>204,703</b>	246,462
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	22	8,912	8,429	8,912	8,429
Income and expenditure reserve - restricted reserve	23	4,360	4,096	4,360	4,096
<b>Unrestricted Reserves</b>					
Unrealised gain on equity investments		122	0	122	0
Income and expenditure reserve - unrestricted		174,997	218,033	191,309	233,937
<b>Total Reserves</b>		<b>188,391</b>	230,558	<b>204,703</b>	246,462

The Financial Statements were approved by the Governing Body on 28 November 2022 and were signed on its behalf on that date by:

**Professor A. Forster**  
Vice-Chancellor

**J. Hamilton**  
Chair of Council

**A. Keeble**  
Director of Finance

The notes on pages 46 to 81 form an integral part of these Financial Statements.

# Consolidated Cash Flow Statement

Year ended 31 July 2022

	Notes	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the year		(41,569)	(12,203)
<b>Adjustment for non-cash items</b>			
Depreciation	12	15,578	14,532
Revaluation of investment property	12	(195)	260
Decrease/(increase) in stocks	16	25	(95)
(Increase) in debtors	17	(11,133)	(10,911)
Increase in creditors		42,724	20,044
Increase in provisions		45,636	16,954
<b>Adjustment for investing or financing activities</b>			
Loss on disposal of tangible fixed assets		0	48
Investment income	5	(400)	(193)
Interest payable	9	5,748	5,850
Endowment income		0	(55)
<b>Net cash inflow from operating activities</b>		<b>56,414</b>	<b>34,231</b>
<b>Cash flows from investing activities</b>			
Disposal of non-current asset investments		0	910
(Investment in) short term investments	18	(16,000)	(22,000)
Investment income	5	400	193
Payments made to acquire tangible fixed assets	12	(14,113)	(14,426)
Non-current investment acquisitions		(122)	0
		<b>(29,835)</b>	<b>(35,323)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(5,748)	(5,850)
Endowment cash received	21	0	55
Repayments of amounts borrowed		(2,079)	(1,984)
		<b>(7,827)</b>	<b>(7,779)</b>
<b>Increase/(Decrease) in cash for the year</b>			
Cash and cash equivalents at beginning of the year		18,752	(8,871)
Cash and cash equivalents at end of the year		<b>55,016</b>	63,887
		<b>73,768</b>	55,016

The notes on pages 46 to 81 form an integral part of these Financial Statements.

# Notes to the Accounts

for the year ended 31 July 2022

	<b>Consolidated</b>	
	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
<b>1 Tuition fees and education contracts</b>		
Full-time home and EU students	<b>97,729</b>	111,205
Full-time international students	<b>73,258</b>	52,780
Part-time students	<b>1,824</b>	1,745
Non-credit-bearing tuition fees	<b>889</b>	974
NHS contracts	<b>2,300</b>	1,226
Research training support grant	<b>97</b>	96
	<b>176,097</b>	168,026
<b>2 Funding body grants</b>		
<b>Recurrent grant</b>		
Office for Students Teaching Grant	<b>7,229</b>	6,623
Research England Research Grant	<b>9,469</b>	9,172
OfS Capital Grant	<b>30</b>	1,022
Research England Capital Grant	<b>1,437</b>	1,494
<b>Specific Grants</b>		
OfS National Collaborative Outreach Programme	<b>1,718</b>	2,385
OfS Catalyst Fund	<b>0</b>	41
OfS PG Conversion Courses	<b>89</b>	97
OfS Hardship Funding	<b>0</b>	723
OfS Lifelong Learning	<b>14</b>	0
OfS Capital Grant (Supporting Student Growth)	<b>2,000</b>	260
Research England Higher Education Innovation Fund	<b>3,673</b>	3,448
Research England Connecting Capability Fund	<b>519</b>	1,594
Research England Global Challenges Research Fund	<b>0</b>	512
Research England QR Strategic Priorities	<b>97</b>	73
Research England Capital Grant (World Class Laboratories)	<b>0</b>	1,066
Research England Transitions and Transformation	<b>29</b>	0
Research England Enhancing Research Culture	<b>240</b>	0
Research England Participatory Research Funding	<b>42</b>	0
	<b>26,586</b>	28,510
<b>3 Research grants and contracts</b>		
Research Councils	<b>20,012</b>	18,941
UK-based charities	<b>1,809</b>	1,426
UK central government, local authorities and health authorities	<b>3,232</b>	3,090
UK industry, commerce and public corporations	<b>1,301</b>	1,105
European Union government bodies	<b>1,893</b>	2,010
Other overseas	<b>1,842</b>	1,452
Other sources	<b>75</b>	38
	<b>30,164</b>	28,062

# Notes to the Accounts

for the year ended 31 July 2022

	<b>Consolidated</b>	
	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
<b>4 Other income</b>		
Other services rendered: Income from academic partnerships	<b>3,343</b>	3,114
Other sources	<b>1,986</b>	1,151
Commercial services income	<b>34,563</b>	19,870
Revenue Grants	<b>121</b>	1,199
Rental income	<b>708</b>	1,027
Gain on revaluation of investment property	<b>195</b>	0
Other income	<b>10,138</b>	10,052
Income from joint ventures	<b>276</b>	291
	<b>51,330</b>	36,704

## 5 Endowment and investment income

Investment income on endowments	<b>80</b>	74
Investment income on restricted reserves	<b>68</b>	52
Other investment income	<b>252</b>	67
	<b>400</b>	193

## 6 Donations and endowments

New endowments	<b>0</b>	55
New donations with restrictions	<b>250</b>	124
	<b>250</b>	179

	<b>Consolidated</b>		<b>University</b>	
<b>Note: The source of of grant and fee income, included in notes 1 to 3 is as follows:</b>	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
<b>Grant and Fee Income</b>				
Grant income from the OfS	<b>11,080</b>	11,151	<b>11,080</b>	11,151
Grant income from other bodies	<b>15,506</b>	17,359	<b>15,506</b>	17,359
Fee income for taught awards (exclusive of VAT)	<b>169,089</b>	162,182	<b>169,089</b>	162,182
Fee income for research awards (exclusive of VAT)	<b>35,869</b>	32,839	<b>35,869</b>	32,839
Fee income from non-qualifying courses (exclusive of VAT)	<b>1,303</b>	1,067	<b>1,303</b>	1,067
<b>Total Grant and Fee Income</b>	<b>232,847</b>	224,598	<b>232,847</b>	224,598

# Notes to the Accounts

for the year ended 31 July 2022

Consolidated	
Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000

## 7 Surplus for the year

The surplus on continuing operations for the year is made up as follows:

University's surplus/(deficit) for the year	<b>(40,920)</b>	(8,641)
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	<b>142</b>	142
Surplus retained by subsidiary undertakings and joint ventures	<b>(394)</b>	(1,535)
	<b>(41,172)</b>	(10,034)

Consolidated	
Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000

## 8 Staff costs

Staff costs		
Salaries	<b>109,120</b>	103,092
Social security costs	<b>10,910</b>	9,930
Movement on USS provision	<b>47,157</b>	810
Other pension costs	<b>30,880</b>	27,795
<b>Total</b>	<b>198,067</b>	141,627

Compensation for loss of office paid to a member of staff for 2021-22 was £Nil (2020-21: £19k).

Other pension costs include pension contributions made by the University on behalf of employees who have elected to reduce their wages and salaries when the University introduced its Pensions Plus scheme in April 2009.

Remuneration Package of the Vice-Chancellor:	Note 8i	£	£
Basic Salary		<b>309,941</b>	305,361
Medical Insurance		<b>4,491</b>	4,437
Notional Accommodation		<b>0</b>	24,000
Accommodation		<b>11,062</b>	0
Cleaning		<b>3,935</b>	3,538
Utilities		<b>1,091</b>	1,343
Pension contributions to USS		<b>71,519</b>	69,495
<b>Salary and Associated Benefits</b>		<b>402,039</b>	408,174

Due to the change in legislation covering the provision of accommodation, the table shows the actual monetary values associated with the occupancy of the house. The notional rental value\* of accommodation is explained below, the notional value as of October 2022 is £36k.

From 1 August 2020 to 31 October 2020 the VC took a 20% voluntary salary reduction resulting in an actual salary received in 2020-21 of £290,093.

# Notes to the Accounts

for the year ended 31 July 2022

## 8 Staff costs (continued)

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Remuneration (basic salary) of other higher paid staff, before any salary sacrifice:	<b>No.</b>	No.
£100,000 to £104,999	<b>13</b>	8
£105,000 to £109,999	<b>4</b>	5
£110,000 to £114,999	<b>11</b>	6
£115,000 to £119,999	<b>1</b>	4
£120,000 to £124,999	<b>2</b>	3
£125,000 to £129,999	<b>5</b>	5
£130,000 to £134,999	<b>1</b>	3
£135,000 to £139,999	<b>0</b>	1
£140,000 to £144,999	<b>3</b>	3
£145,000 to £149,999	<b>2</b>	4
£150,000 to £154,999	<b>4</b>	2
£155,000 to £159,999	<b>1</b>	1
£160,000 to £164,999	<b>0</b>	0
£165,000 to £169,999	<b>0</b>	0
£170,000 to £174,999	<b>1</b>	1
	<b>48</b>	46
Average staff numbers by major category:		
Academic	<b>927</b>	907
Research	<b>108</b>	109
Senior Support	<b>688</b>	672
Other Support	<b>593</b>	561
General Support	<b>399</b>	395
	<b>2,715</b>	2,644

### Key management personnel

Key management personnel are members of the University Steering Group (USG) and are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

Key management personnel compensation	<b>1,404</b>	1,368
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### Trustees

No Trustee has received any remuneration/waived payments from the group during the year. Ten trustees are also employees of the University but received no additional payment for acting as trustees.

The total expenses paid to or on behalf of 25 council members were £4,376 (2020-21: £113 to 25 council members). This represents travel, accommodation and stationery expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

# Notes to the Accounts

for the year ended 31 July 2022

## 8 Staff costs (continued)

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Access and Participation</b>		
Access Investment	1,108	875
Financial Support	0	0
Disability Support (excluding expenditure included in the two categories above)	233	211
Research and Evaluation	222	181
	<b>1,563</b>	1,267

These figures are the staff costs associated with our Access and Participation Plan. Our total Access and Participation Plan expenditure, including these staff costs of £1,563k are detailed in Note 11.

## 8i Vice-Chancellor's remuneration package

Details of the Vice-Chancellor's remuneration package and expenses are published on the University's website at <https://www.essex.ac.uk/governance-and-strategy/senior-staff/vice-chancellor/pay-and-benefits>. The following notes describe the elements of the associated benefits set out in note 8:

**Medical Insurance:** To minimise absence from work on grounds of ill-health, the University part funds medical insurance for the Vice-Chancellor and direct dependent. This is declared to HM Revenue and Customs (HMRC) and reported annually on the P11D form through the Vice-Chancellor's annual self-assessment.

**Accommodation:** The University owns a property on the Colchester Campus known as Lake House. This property was constructed at the same time the University was being established, for the specific purpose of enabling the Vice-Chancellor to be resident on campus. It is a condition of contract of the Vice-Chancellor that he must reside in this property and that it is the Vice-Chancellor's primary residence during his period of office.

In line with current tax treatment, this is classified as a taxable benefit and the benefit value of the residence detailed above is based on a gross rating value agreed with HMRC. Lake House's location on the Colchester Campus means that there is no opportunity for the University to receive a commercial rental income for this property. Notwithstanding the location, a rental valuation of the Vice-Chancellor's residence has been carried out in October 2022 and the notional rental value is identified as £36,000 p.a.

The Vice-Chancellor is not required to make rental payments for the property, but the monthly rental value is pensionable. From 6 April 2021 the Vice-Chancellor has been subject to a personal tax liability for this accommodation, for which he receives an accommodation payment. The pensionable value of the property and payment for accommodation are disclosed above.

The Vice-Chancellor makes use of this house to host events for University staff and students and for external stakeholders with an interest in, or supporting, the work of the University. A schedule of events held in the Lake House, hosted by the Vice-Chancellor, is published on the University's website, describing the purpose of each event held <https://www.essex.ac.uk/-/media/documents/about/vc-lake-house-events.pdf?la=en>. This is updated on 1 February and 31 July each year. Catering and service for these events is provided by Wivenhoe House Hotel and the Edge Hotel School, both based at the University.

**Cleaning:** The University bears the costs of maintenance and upkeep of the property in which the Vice-Chancellor is required to reside. All major works need to be approved by the Registrar and Secretary. The cost of cleaning is shared equally between the University and the Vice-Chancellor.

**Utilities:** The cost of electricity and gas supplied to the property are apportioned between the Vice-Chancellor and the University. This is declared to HMRC and reported annually on the P11D form through the Vice-Chancellor's annual self-assessment.

# Notes to the Accounts

for the year ended 31 July 2022

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## 8i Vice-Chancellor's remuneration package (continued)

**Pension Contributions:** The Vice-Chancellor is eligible for membership of the Universities Superannuation Scheme (USS), the scheme available to the majority of employees of the University. The Vice-Chancellor was an active member of USS throughout the reporting year.

Pay and reward in the University is overseen by the Remuneration Committee of Council. The composition of the Committee is at <https://www.essex.ac.uk/-/media/documents/about/governance/committees-council.pdf> and includes an independent advisor who is external to the University and is not a Council member. The Vice-Chancellor (VC) is not a member of Remuneration Committee.

The University of Essex participates in the national process of collective bargaining with the trade unions undertaken on behalf of employers. Through this process, an agreed level of percentage increase is applied to all points of the nationally agreed pay spine, to reflect the impact of increases in the cost of living on pay. The University's policy is to apply that percentage increase to the pay of all members of staff. In addition, all members of staff have an opportunity to apply for additional pay through the University's annual review process in recognition of exceptional performance. The University only considers cases for additional pay for those who submit an application.

The Remuneration Committee reviews the pay and performance of the Vice-Chancellor each year. For this annual review cycle the Vice-Chancellor did not make an application for additional pay through the annual review process, but as for all staff the Vice-Chancellor did receive the 1.18% cost of living increase.

In relation to performance, following consultation with others, through the Appraisal and Personal Development Scheme (APDR), the Chair of Council reviewed the Vice-Chancellor's performance and set objectives for the following year. These personal objectives are set for the Vice-Chancellor and these are shared with Remuneration Committee and the whole of Council for comment and are published on the University web site at: <https://www.essex.ac.uk/governance-and-strategy/senior-staff/vice-chancellor/pay-and-benefits>.

The Remuneration Committee takes into account a range of benchmarking information in considering pay levels. In relation to the Vice-Chancellor, institutions identified for benchmarking purposes are comparable universities whose missions are similar to those of the University of Essex as set out in the University's Strategic Plan 2019 - 25:

- Dual intensive universities (reflecting the University's equal commitment to excellence in education and excellence in research);
- Universities in the top 30 in The Times and The Sunday Times Good University Guide;
- Universities which have achieved a Gold rating in the TEF;
- Universities which are in the top 25 for research quality in The Times and The Sunday Times Good University Guide;
- Universities of a similar size and complexity (in relation to turnover and student numbers).

Benchmarking data for the Vice-Chancellor is provided to the Committee for information, whether or not an application is made for additional pay through the annual review process. Remuneration Committee reviews the benchmarking framework annually to ensure comparators continue to be appropriate and relevant. The Vice-Chancellor's salary remained comparable to the upper quartile of these comparators.

The Committee assesses the Vice-Chancellor's performance, drawing upon evidence from the University's overall performance against KPIs contained in the Strategic Plan, the Strategic Priority Actions set for the VC at the beginning of the preceding academic year and the outcomes of the APDR performance review discussion with the Chair of Council.

The University has continued to make progress in relation to the KPIs as set out in the Strategic Plan, in the context of a slower than hoped for return of activities on our campuses resulting from the Omicron COVID variant. Key achievements led by the Vice-Chancellor in the period up to the meeting of the Remuneration Committee in November 2021 included strong student recruitment, despite a significant reduction in numbers of students joining from EU 27 countries, and a 4.4% increase in researchers, fulfilling our strategic commitment to become a medium sized university. This has been reflected subsequently in the University's performance in the Research Excellence Framework 2021, and an allocation of mainstream QR funding that increased by 64.3% compared to the 2014 REF. Other achievements included: ranking first out of all universities in the UK for Knowledge Transfer Partnerships; further reducing attainment gaps between different groups of students; and continued investment in our campuses and facilities to support the University's academic mission.

Despite significant challenges resulting from the continuing impact of the pandemic, the University recorded a good financial performance in 2021-22 year, with a record turnover of £276m and a cash surplus of 4.9%, with total long-term debt reducing to £186m. In evaluating the Vice-Chancellor's contribution in the light of the University's performance as a whole, the Remuneration Committee concluded that the Vice-Chancellor continued to provide strong and effective leadership of the University, leaving the University well placed to succeed in the coming years.

# Notes to the Accounts

for the year ended 31 July 2022

## 8i Vice-Chancellor's remuneration package (continued)

The relationship between the Vice-Chancellor's contractual remuneration and that for all other employees is reviewed annually:

The head of the provider's basic salary is 9.30 times (2020-21 - 9.58) the median pay of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration (including other benefits) is 10.89 times (2020-21 - 11.06) the median total remuneration of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

Following implementation of the latest OfS requirements on the basis for calculating the above pay ratios, the University has put in place measures to capture information on the pay of agency and similar staff and has included these in the information on pay ratios set out above.

	<b>Consolidated</b>	
	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
<b>9 Other operating expenses</b>		
Books and periodicals	<b>4,859</b>	4,648
Equipment and consumables	<b>4,931</b>	3,811
Food, drink and hospitality	<b>1,740</b>	273
Gas, water and electricity	<b>4,341</b>	5,868
Cleaning	<b>906</b>	774
Grants to Students' Union	<b>3,291</b>	3,637
Insurance	<b>415</b>	400
Long-term maintenance programme and minor works	<b>1,616</b>	1,496
Other expenses	<b>13,881</b>	12,805
Postage, telephones, printing and stationery	<b>1,016</b>	666
Professional and consultancy fees	<b>10,984</b>	9,411
Rates and rental of premises	<b>13,056</b>	12,658
Repairs and routine maintenance of estates	<b>1,988</b>	19,107
Research and survey fieldwork	<b>10,169</b>	8,746
Scholarships (fee waivers and bursaries)	<b>14,696</b>	13,026
Travel, subsistence and accommodation	<b>1,025</b>	104
IT/AV Equipment	<b>9,192</b>	7,858
Fire safety and security	<b>401</b>	683
Adverts and marketing	<b>2,311</b>	1,970
Agents commission	<b>5,624</b>	3,407
	<b>106,442</b>	111,349

Included within professional, auditor and consultancy fees above are the following amounts receivable by the external auditor:

Statutory audit fee: £126,100 (2020-21: £115,200)

US GAAP Conversion of 2021-22 Accounts £45,000 (2020-21 NIL)

Audit-related assurance services: £15,000 (2020-21: £15,000)

Taxation advisory services: £38,000 (2020-21: £56,500)

# Notes to the Accounts

for the year ended 31 July 2022

## 9 Other operating expenses (continued)

	Consolidated	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Depreciation, impairment and amortisation</b>		
Depreciation charge on tangible fixed assets	15,578	14,532
	<b>15,578</b>	<b>14,532</b>
<b>Finance charges</b>		
Bank interest payable	5,748	5,850
Net charge on pension scheme	285	228
	<b>6,033</b>	<b>6,078</b>

## 10 Analysis of total expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Depreciation and amortisation £'000	Interest paid £'000	2021-22 Total £'000	2020-21 Total £'000
Academic departments and centres	114,385	9,807	52	0	124,244	84,316
Academic services	21,529	15,332	0	0	36,861	29,918
Research grants and contracts	11,256	11,973	242	0	23,471	21,686
Residences and catering	9,662	22,450	2,343	1,507	35,961	31,014
Premises	9,143	6,470	810	0	16,423	16,187
Administration	22,609	5,723	0	0	28,332	17,416
Other services rendered	425	879	0	0	1,304	1,231
General education expenditure	2,623	20,081	0	0	22,704	16,910
Student and staff facilities	5,994	7,294	111	56	13,455	14,344
Early retirements and severances	26	0	0	0	26	61
Other expenses	415	6,433	12,020	4,470	23,339	40,503
	<b>198,067</b>	<b>106,442</b>	<b>15,578</b>	<b>6,033</b>	<b>326,120</b>	<b>273,586</b>

## 11 Access and Participation

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Access Investment	1,811	1,358	1,811	1,358
Financial Support	1,383	2,690	1,383	2,690
Disability Support	275	245	275	245
Research and Evaluation	224	183	224	183
	<b>3,693</b>	<b>4,476</b>	<b>3,693</b>	<b>4,476</b>

£1,563k (2020-21: £1,267) of these costs are already included in the overall staff costs figures included in the financial statements, see note 8. Our published access and participation plan can be found at <https://www.essex.ac.uk/about/governance/access-and-participation-plan>.

# Notes to the Accounts

for the year ended 31 July 2022

## 12 Tangible assets

Consolidated	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage Assets £'000	Investment Properties £'000	Total £'000
<b>Cost</b>							
At 1 August 2021	414,976	11,711	66,174	13,193	798	880	507,732
Adjustments	0	0	0	0	0	0	0
Additions	56	0	5,543	8,514	0	0	14,113
Transfers	2,065	0	2,006	(4,071)	0	0	0
Disposals	0	0	(130)	0	0	0	(130)
Impairment	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	195	195
<b>At 31 July 2022</b>	<b>417,097</b>	<b>11,711</b>	<b>73,593</b>	<b>17,636</b>	<b>798</b>	<b>1,075</b>	<b>521,910</b>
<b>Depreciation</b>							
At 1 August 2021	79,242	1,605	34,248	0	0	0	115,095
Charge for the year	7,543	48	7,987	0	0	0	15,578
Impairments	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	(130)	0	0	0	(130)
Impairment	0	0	0	0	0	0	0
<b>At 31 July 2022</b>	<b>86,785</b>	<b>1,653</b>	<b>42,105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130,543</b>
<b>Net Book Value</b>							
<b>At 31 July 2022</b>	<b>330,312</b>	<b>10,058</b>	<b>31,488</b>	<b>17,636</b>	<b>798</b>	<b>1,075</b>	<b>391,367</b>
At 31 July 2021	335,734	10,106	31,926	13,193	798	880	392,637
<b>University</b>							
<b>Cost</b>							
At 1 August 2021	391,146	11,119	64,131	4,393	798	880	472,467
Adjustments	0	0	0	0	0	0	0
Additions	55	0	5,460	6,596	0	0	12,111
Transfers	2,065	0	2,006	(4,071)	0	0	0
Disposals	0	0	(130)	0	0	0	(130)
Impairment	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	195	195
<b>At 31 July 2022</b>	<b>393,266</b>	<b>11,119</b>	<b>71,467</b>	<b>6,918</b>	<b>798</b>	<b>1,075</b>	<b>484,643</b>
<b>Depreciation</b>							
At 1 August 2021	75,362	1,179	32,793	0	0	0	109,334
Charge for the year	6,917	48	7,821	0	0	0	14,786
Transfers	0	0	0	0	0	0	0
Disposals	0	0	(130)	0	0	0	(130)
Impairment	0	0	0	0	0	0	0
<b>At 31 July 2022</b>	<b>82,279</b>	<b>1,227</b>	<b>40,484</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>123,990</b>
<b>Net Book Value</b>							
<b>At 31 July 2022</b>	<b>310,987</b>	<b>9,892</b>	<b>30,983</b>	<b>6,918</b>	<b>798</b>	<b>1,075</b>	<b>360,653</b>
At 31 July 2021	315,784	9,940	31,338	4,393	798	880	363,133

# Notes to the Accounts

for the year ended 31 July 2022

## 12 Tangible assets (continued)

University Land and Buildings include £48.7m (2020-21: £48.7m) in respect of freehold land which is not depreciated. Included in the cost of fixed assets is aggregated interest capitalised of £2.8m (2020-21: £2.8m).

Additions to University land and buildings in the year includes £8.7m (2020-21: £8.2m) for assets in the course of construction, for which no depreciation charge has been made.

On the date of transition to FRS 102, the University revalued its land and student accommodation at fair value and as a first time adopter, in accordance with paragraph 35.10 (c) of the 2015 SORP, it is using this fair value as the deemed cost of the assets. The valuation was prepared by Gerald Eve, an independent valuer, with an effective date of 1 August 2014. The valuation was prepared using Depreciated Replacement Cost and Fair Value equivalent to Market Value methods. At the date of the valuation, land had a net book value of £5.2 million and student accommodation had a net book value of £50.9 million.

On the date of transition to FRS 102, an asset with the value of £3.6 million was transferred from property, plant and equipment to investment property. The valuation was also prepared by Gerald Eve, with an effective date of 1 August 2014 and using Depreciated Replacement Cost and Fair Value equivalent to Market Value methods. This property was revalued at 31 July 2022 using the rate of the average growth in retail buildings in Eastern England.

## 13 Heritage assets

The University Equipment includes assets valued at £798k for works of art deemed to be heritage assets which were capitalised in 2009-10. The University's external valuer (Lyon & Turnbull) carried out a full valuation of the collection at 18 February 2010. The values were established on the basis of the valuer's assessment of the likely replacement cost at suitable specialist retail outlets, having given consideration to quality and condition for a similar item.

## 14 Investments

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
At 1 August	<b>11,347</b>	10,090	<b>64,200</b>	53,211
(Disposals)/Additions	<b>519</b>	1,257	<b>1,420</b>	10,989
Revaluations credited to the revaluation reserve	<b>0</b>	0	<b>0</b>	0
<b>At 31 July</b>	<b>11,866</b>	11,347	<b>65,620</b>	64,200
Comprising:				
Equities	<b>11,697</b>	11,300	<b>11,697</b>	11,300
Subsidiary companies:				
University of Essex Knowledge Gateway Holdings Ltd	<b>0</b>	0	<b>37,026</b>	37,026
Universal Accommodation Group Ltd	<b>0</b>	0	<b>2,893</b>	2,893
University of Essex Campus Services Ltd	<b>0</b>	0	<b>2,734</b>	1,833
Wivenhoe House Hotel Ltd	<b>0</b>	0	<b>11,101</b>	11,101
Other investments	<b>169</b>	47	<b>169</b>	47
	<b>11,866</b>	11,347	<b>65,620</b>	64,200

# Notes to the Accounts

for the year ended 31 July 2022

## 15 Investment in Joint Ventures

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	£'000	£'000	£'000	£'000
<b>Southend-on-Sea Forum Management Limited</b>				
<b>Income and expenditure account</b>				
Income		276		291
Expenditure		(276)		(291)
Profit before tax		0		0
<b>Balance sheet</b>				
Fixed assets	0		0	
Current assets	227	227	187	187
Creditors: amounts due within one year	(137)		(101)	
Creditors: amounts due after more than one year	0	(137)	0	(101)
<b>Share of net assets in Southend-on-Sea Forum Management Ltd</b>		<b>90</b>		<b>86</b>

Southend-on-Sea Forum Management Ltd (SoSFML) is a joint venture between University of Essex, Southend-on-Sea Borough Council and South Essex College of Further and Higher Education. The joint venture was established in order to oversee the property management of the Forum building in Southend which is the UK's first integrated academic and public library and combines the modern teaching facilities of South Essex College, the research and learning environment of the University of Essex and the municipal library of Southend-on-Sea Borough Council. For the year ending 31 July 2022 it recorded a surplus of £nil (2020-21: £nil).

During the year, SoSFML Ltd purchased goods and services to the value of £1,813 from the University (2020-21: £2,266) of which £nil was outstanding at 31 July 2022 (2020-21: £nil). SoSFML Ltd provided services to the University to the value of £289k (2020-21: £168k) with a credit of £nil outstanding at 31 July 2022 (2020-21: £12k credit).

Southend-on-Sea Forum Management Ltd has been accounted for as a joint venture in accordance with FRS 102 Section 15. The level of profit included within the consolidated financial statements is as shown above and in the summary of joint ventures note.

### Total investment in Joint Ventures:

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	£'000	£'000	£'000	£'000
<b>Total income from joint ventures recognised in the Income Statement</b>				
Income from SoSFML		276		291
<b>Total income from joint ventures</b>		<b>276</b>		<b>291</b>
<b>Total profit/(loss) from joint ventures recognised in the Income Statement</b>				
Profit/(loss) from SoSFML		0		0
<b>Total profit/(loss) from joint ventures</b>		<b>0</b>		<b>0</b>
<b>Share of gross assets and liabilities in joint ventures:</b>				
Share of net assets in SoSFML		89		86
<b>Total share of gross assets in joint ventures</b>		<b>89</b>		<b>86</b>

# Notes to the Accounts

for the year ended 31 July 2022

## 16 Stock

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Stock</b>	<b>259</b>	284	<b>158</b>	202

## 17 Debtors

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Amounts falling due within one year:				
Trade debtors	<b>3,790</b>	3,124	<b>3,581</b>	2,911
Student fees	<b>3,305</b>	3,389	<b>3,305</b>	3,389
Research debtors	<b>30,917</b>	24,221	<b>30,917</b>	24,221
Prepayments and accrued income	<b>15,224</b>	11,304	<b>12,791</b>	10,469
Other debtors	<b>37</b>	102	<b>30</b>	30
Amounts due from subsidiary companies	<b>0</b>	0	<b>(120)</b>	(71)
	<b>53,273</b>	42,140	<b>50,504</b>	40,949

## 18 Investments

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Deposits maturing:				
In one year or less	<b>38,000</b>	22,000	<b>38,000</b>	22,000
	<b>38,000</b>	22,000	<b>38,000</b>	22,000

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than 24 hours maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 1.22% per annum and the remaining weighted average period for which the interest rate was fixed on these deposits was 140 days. The fair value of these deposits was not materially different from the book value.

# Notes to the Accounts

for the year ended 31 July 2022

## 19 Creditors: amounts falling due within one year

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Student loans	2,150	2,080	2,150	2,080
Unsecured loans	0	0	0	0
Payments received in advance	27,558	14,871	26,879	14,860
Research grants received on account	44,101	38,696	44,101	38,696
Trade creditors	3,627	5,087	3,588	5,063
Bank Overdraft	0	0	0	0
Social security and other taxation payable	3,132	2,760	2,720	2,632
Accruals and deferred income	15,812	11,060	13,302	9,865
Amounts due to subsidiary companies	0	0	16,074	16,760
	<b>96,380</b>	74,554	<b>108,814</b>	89,956

## 20 Creditors: amounts falling due after more than one year

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Analysis of secured and unsecured loans:				
Due within one year or on demand	2,150	2,080	2,150	2,080
Due between one and two years	2,150	2,150	2,150	2,150
Due between two and five years	7,640	7,155	7,640	7,155
Due in five years or more	65,885	68,519	65,885	68,519
	<b>77,825</b>	79,904	<b>77,825</b>	79,904
Due within one year or on demand	(2,150)	(2,080)	(2,150)	(2,080)
Due after more than on year	<b>75,675</b>	77,824	<b>75,675</b>	77,824
Other creditors:				
Due between one and two years	5,773	5,908	325	325
Due between two and five years	5,100	5,202	975	976
Due in five years or more	99,470	78,265	99,470	78,265
	<b>110,343</b>	89,375	<b>100,770</b>	79,566
<b>Total</b>	<b>186,018</b>	167,199	<b>176,445</b>	157,390

# Notes to the Accounts

for the year ended 31 July 2022

## 20 Creditors: amounts falling due after more than one year (continued)

During 2008-09, the University received £0.16m from HEFCE through the SALIX initiative as start-up funding to finance energy conservation and efficiency within the University. This will be non-repayable provided that the University is able to demonstrate that appropriate progress has been made.

In 2013 the University renegotiated its loan facility with Lloyds. As at 31 July 2022, the University had loans with Lloyds totalling £77.8m (2020-21: £79.9m), repayable by 2043.

On 14 July 2017 the University contracted to issue £50m of 2.87% unsecured bonds due 2037 and £15m of 3.11% unsecured bonds due 2047. The bonds were issued at 100% of their principal amount on 29 September 2017 and the proceeds of issue amounted to £65m. Interest is payable on the 29 March and 29 September each year commencing 29 March 2018. Unless previously redeemed, the bonds will be redeemed at their principal amount on 29 September 2037 and 29 September 2047 respectively.

## 21 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Total Other £'000
At 1 August 2021	35,962	0	(1,461)	34,501	16,698
Utilised in year	(2,012)	0	411	(1,601)	4
Additions/(Reductions) in year	49,982	0	0	49,982	(1,750)
<b>At 31 July 2022</b>	<b>83,932</b>	<b>0</b>	<b>(1,050)</b>	<b>82,882</b>	<b>14,952</b>

University	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Total Other £'000
At 1 August 2021	35,449	0	(1,420)	34,029	16,698
Utilised in year	(1,984)	0	387	(1,597)	4
Additions/(Reductions) in year	49,457	0	0	49,457	(1,750)
<b>At 31 July 2022</b>	<b>82,922</b>	<b>0</b>	<b>(1,033)</b>	<b>81,889</b>	<b>14,952</b>

### USS and SAUL deficit

The obligation to fund the past deficits on the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London ("SAUL") arises from the contractual obligation with the pension schemes for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. Further details in relation to the University's pension schemes can be found at note 28.

# Notes to the Accounts

for the year ended 31 July 2022

## 22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2022 Total £'000	2021 Total £'000
<b>Balances at 1 August</b>				
Capital	1,887	7,784	<b>9,671</b>	8,154
Accumulated income/(expenditure)	(87)	(1,155)	<b>(1,242)</b>	(1,312)
	1,800	6,629	<b>8,429</b>	6,842
<b>New endowments</b>				
New endowments	0	0	<b>0</b>	55
Transfer to Restricted Donation	(25)	0	<b>(25)</b>	0
Transfer from Restricted Donation	0	164	<b>164</b>	0
<b>Investment income</b>				
Investment income	17	63	<b>80</b>	73
<b>Expenditure</b>				
Expenditure	(1)	(8)	<b>(9)</b>	(3)
	16	55	<b>71</b>	70
<b>Increase in market value of investments</b>				
Increase in market value of investments	57	216	<b>273</b>	1,462
<b>At 31 July</b>	1,848	7,064	<b>8,912</b>	8,429
<b>Represented by:</b>				
Capital	1,919	8,164	<b>10,083</b>	9,671
Accumulated income/(expenditure)	(71)	(1,100)	<b>(1,171)</b>	(1,242)
	1,848	7,064	<b>8,912</b>	8,429
<b>Analysis by type of purpose:</b>				
Scholarships and bursaries	1,716	8	<b>1,724</b>	1,681
Prize funds	46	85	<b>131</b>	128
General	86	6,971	<b>7,057</b>	6,620
	1,848	7,064	<b>8,912</b>	8,429
<b>Analysis by asset:</b>				
Current and non-current asset investments			<b>8,043</b>	7,619
Cash and cash equivalents			<b>869</b>	810
			<b>8,912</b>	8,429

# Notes to the Accounts

for the year ended 31 July 2022

## 23 Restricted Reserves

Reserves with restrictions are as follows:

	Donations	
	2022 Total £'000	2021 Total £'000
<b>Balances at 1 August</b>	<b>4,096</b>	3,305
New donations	<b>250</b>	124
Transfer from Restricted Permanent Endowment	<b>25</b>	-
Transfer to Restricted Expendable Endowment	<b>(164)</b>	-
Investment income	<b>47</b>	52
(Decrease)/increase in market value of investments	<b>124</b>	706
Expenditure	<b>(18)</b>	(91)
	<b>153</b>	667
<b>At 31 July</b>	<b>4,360</b>	4,096
<b>Analysis of other restricted funds/donations by type of purpose:</b>		
Scholarships and bursaries	<b>1,038</b>	789
Prize funds	<b>356</b>	338
General	<b>2,966</b>	2,969
	<b>4,360</b>	4,096
<b>Analysis by asset:</b>		
Current and non-current asset investments	<b>3,654</b>	3,681
Cash and cash equivalents	<b>706</b>	415
	<b>4,360</b>	4,096

# Notes to the Accounts

for the year ended 31 July 2022

## 24 Consolidated reconciliation of net debt

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Net debt 1 August	(67,888)	(83,001)
Movement in cash and cash equivalents	36,831	15,113
Net debt 31 July	(31,057)	(67,888)
<b>Change in net debt</b>	<b>36,831</b>	<b>(15,113)</b>

	Consolidated	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
<b>Analysis of net debt:</b>		
Cash and cash equivalent	111,768	77,016
Borrowings: amounts falling due within on year		
Secured loans	(2,150)	(2,080)
	<b>109,618</b>	74,936
Borrowings: amounts falling due after more than one year		
Secured loans	(75,675)	(77,824)
Unsecured Bond	(65,000)	(65,000)
	<b>(140,675)</b>	<b>(142,824)</b>
<b>Net debt</b>	<b>(31,057)</b>	<b>(67,888)</b>

## 25 Capital and other commitments

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

	Consolidated		University	
	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Commitments contracted for	3,755	9,095	1,915	9,087
Authorised but not contracted for	0	22,354	0	9,358
	<b>3,755</b>	<b>31,449</b>	<b>1,915</b>	<b>18,445</b>

# Notes to the Accounts

for the year ended 31 July 2022

## 26 Lease obligations

Total rentals payable under operating leases:

	31 July 2022 Consolidated			Year Ended 31 July 2021 £'000
	Land and Buildings £'000	Plant and Machinery £'000	Total £'000	
<b>Payable during the year</b>	<b>686</b>	<b>173</b>	<b>859</b>	862
<b>Future minimum lease payments due:</b>				
Not later than one year	<b>686</b>	<b>172</b>	<b>858</b>	859
Later than 1 year and not later than 5 years	<b>747</b>	<b>129</b>	<b>876</b>	1,548
Later than 5 years	<b>2,974</b>	<b>0</b>	<b>2,974</b>	3,161
<b>Total lease payments due</b>	<b>4,407</b>	<b>301</b>	<b>4,708</b>	5,568

Leases are for land and buildings.

The original leases are for a unit at Southend and land at East 15, Loughton.

During 2015-16 the University built the North Teaching Centre, and in August 2016 sold the modular components at a cost of £2.9m and entered into a lease to secure their use for seven years.

During 2021-22 the University leased office space at the Knowledge Gateway Parkside development.

## 27 Disclosure of related party transactions

The related parties of the University are the wholly and partially owned subsidiary undertakings (listed in note 29) of these Financial Statements, the University of Essex Students' Union and the members of the Council.

In the preparation of these Financial Statements, the University has taken advantage of the exemptions contained within Section 33.1A of FRS 102 relating to transactions and balances eliminated on consolidation.

All transactions and balances with the subsidiary undertakings have been eliminated on consolidation and therefore no disclosure is given.

Due to the nature of the relationship between the entities, the University of Essex Students' Union is considered to be a related party. In the year to 31 July 2022 the University paid the Union a revenue grant of £2.926m (2020-21: £2.896m). The Union's income and expenditure account shows the following:

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Income	<b>2,745</b>	2,133
Expenditure	<b>(2,720)</b>	(2,271)
<b>Operating surplus before and after transfers from/(to) reserves</b>	<b>25</b>	(138)

# Notes to the Accounts

for the year ended 31 July 2022

## 27 Disclosure of related party transactions (continued)

Ms Samira-Caterina Monteleone was a Council member during 2021-22 who also sat on Essex Students' Union Board.

All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and normal procurement procedures. Given that the University Council includes members drawn from public and private sector organisations, some transactions take place with organisations in which a member of Council may have an interest. However, these transactions occur at the operational level where they are instigated by members of staff and approved by senior management under delegated authority. There is no direct benefit to members of Council.

Members of Council, its sub-committees and key management personnel are required to declare all outside interests. When an item arises in which a member has an interest, it must be declared and the member concerned may not take part in that debate or any related decisions.

The Director of Finance received £26.4k during the course of the year from UMAL Ltd, a company which provides cover for terrorism risk, for serving as a Director of that company.

## 28 Pension Schemes

The University has three principal pension schemes for employees. These are the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS) and Superannuation Arrangements of the University of London (SAUL). The assets of the schemes are held in separate trustee-administered funds. All three schemes are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme.

On 1 September 2014 the University of Essex Pension Scheme (UEPS) merged into the Superannuation Arrangements of the University of London (SAUL). This effectively means the Scheme ceased on 1 September 2014, as all assets and liabilities were transferred to SAUL.

USS and SAUL are mutual schemes and the assets are not hypothecated to individual institutions and it is therefore not possible to identify the University's share of the underlying assets and liabilities.

LGPS became a closed scheme from August 1997 and subsequently all non-academic and related staff who were not members of a pension scheme could join the UEPS. When UEPS became a closed scheme from March 2004, all new staff were eligible to join USS.

Since June 2014 all staff between the grades of 1 to 6 are eligible to join SAUL while staff graded 7 to 11 are eligible to join USS.

Two of the University's subsidiary companies, Wivenhoe House Hotel Limited and University of Essex Campus Services Limited pay into personal pension schemes and a scheme called NEST for some employees. These are all defined contribution schemes.

The total pension cost for the University and its subsidiary undertakings was:

	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
Contribution to USS	<b>25,812</b>	24,108
Contribution to LGPS	<b>218</b>	243
Contributions to UEPS	<b>0</b>	0
Contribution to SAUL	<b>3,792</b>	3,223
Contribution to NEST	<b>257</b>	0
Contribution to personal pensions	<b>0</b>	0
LGPS additional University costs to fund past service deficiency	<b>1,365</b>	800
USS additional University costs to fund past service deficiency	<b>47,157</b>	810
SAUL additional University costs to fund past service deficiency	<b>0</b>	0
LGPS actuarial adjustment to pension costs	<b>(564)</b>	(579)
<b>Total pension cost</b>	<b>78,037</b>	28,605

# Notes to the Accounts

for the year ended 31 July 2022

## 28 Pension Schemes (continued)

The total FRS 102 pension liability for the University and its subsidiary undertakings was:

	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
LGPS pension liability	<b>1,050</b>	1,461
USS pension liability	<b>(83,932)</b>	(35,962)
SAUL pension liability	<b>0</b>	0
<b>Total pension liability</b>	<b>(82,882)</b>	(34,501)

### Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee Benefits", accounts for the scheme as if it were a 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. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the 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 in the income and expenditure account.

The latest available full actuarial valuation of the scheme was at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

Since the institution cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme 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 provision was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	<b>At 31 July 2022</b>	At 31 July 2021
Discount rate	<b>3.33%</b>	0.89%
Pensionable salary growth	<b>3.18%</b>	2.50%

The assumptions for pensionable salary growth and headcount are set at 3.18% and 3.8% respectively for year 1 of the valuation, which are in line with the University's financial planning. It is acknowledged that these assumptions are sensitive to changes. Due to the current economic environment it is considered that movements in these assumptions are likely however the values disclosed are reflective of the best information available as at 31 July 2022.

# Notes to the Accounts

for the year ended 31 July 2022

## 28 Universities Superannuation Scheme (USS) (continued)

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) SINA tables as follows:

Male member's mortality	101% of S2PMA "light" (2021: 97.6% of S1NA ["light"] - no age rating)
Female member's mortality	95% of S3PFA (2021:102.7% of S1NA ["light"]- rated down 1 year)

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2019 projections with a 1.8% pa long term rate for males and 1.6% for females, were also adopted. The current life expectancies on retirement at age 65 are:

	At 31 July 2022	At 31 July 2021
Males currently aged 65	<b>23.9 years</b>	24.6 years
Females currently aged 65	<b>25.5 years</b>	26.1 years
Males currently aged 45	<b>25.9 years</b>	26.6 years
Females currently aged 45	<b>27.3 years</b>	27.9 years
Scheme assets	<b>65.5bn</b>	£63.7bn
Total scheme liabilities	<b>80.6bn</b>	£67.3bn
FRS 102 total scheme deficit	<b>14.1bn</b>	£3.6bn
FRS 102 total funding level	<b>83%</b>	95%

In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS). A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. Details of this provision, which has been discounted at a rate of 3.33% as at 31 July 2022, are included in note 21 to the financial statements.

## 28 Local Government Pension Scheme (LGPS)

The Essex County Council LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The employer contribution rate for 2021-22 was 23.9% (2020-21: 23.9%).

From 01 April 2014, all members of the scheme transferred to a Career Average Revalued Earnings (CARE) benefit structure. As a consequence, the cost of benefit accrual is expected to fall. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall.

The value of the employer's liability is assessed every three years in accordance with the advice of a qualified actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Last actuarial valuation	31-Mar-2019
Actuarial method	Projected Unit
Pension increases	2.6% per annum
Salary scale increases	3.6% per annum
Market value of assets at date of last valuation (whole fund)	£7,027 million

# Notes to the Accounts

for the year ended 31 July 2022

## 28 Local Government Pension Scheme (LGPS) (continued)

### Actuarial Assumptions

The major assumptions used by the actuary for University of Essex were:

	<b>At</b> <b>31 July 2022</b> %	At 31 July 2021 %
<b>Financial assumptions</b>		
Rate of increase in salaries	<b>3.90</b>	3.85
Rate of increase in pension payments	<b>2.90</b>	2.85
Expected return on assets	<b>0.82</b>	20.20
Discount rate for liabilities	<b>3.40</b>	1.55
CPI assumptions	<b>2.90</b>	2.85

The major assumptions used by the actuary for University of Essex Commercial Services were:

	<b>At</b> <b>31 July 2022</b> %	At 31 July 2021 %
<b>Financial assumptions</b>		
Rate of increase in salaries	<b>3.85</b>	3.80
Rate of increase in pension payments	<b>2.85</b>	2.80
Expected return on assets	<b>0.82</b>	20.20
Discount rate for liabilities	<b>3.40</b>	1.55
CPI assumptions	<b>2.85</b>	2.80

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2022 is estimated to be 0.82%. The actual return on Fund assets over the year may be different from the estimated return. Management have relied on the fund administrators to calculate return on the investments:

The split of assets between investment categories was the same for both University of Essex and University of Essex Commercial Services:

	<b>At</b> <b>31 July 2022</b> %	At 31 July 2021 %
<b>Split of assets between investment categories</b>		
Equities	<b>57.00</b>	64.00
Government Bonds	<b>2.00</b>	3.00
Other Bonds	<b>4.00</b>	5.00
Property	<b>9.00</b>	7.00
Cash	<b>4.00</b>	3.00
Alternative assets	<b>14.00</b>	11.00
Other managed funds	<b>10.00</b>	8.00

# Notes to the Accounts

for the year ended 31 July 2022

## 28 Local Government Pension Scheme (LGPS) (continued)

### Expected rate of return on assets in the scheme

	<b>Consolidated</b> <b>31 July 2022</b> <b>£'000</b>	<b>University</b> <b>31 July 2022</b> <b>£'000</b>	Consolidated 31 July 2021 £'000	University 31 July 2021 £'000
Estimated asset share	<b>80,875</b>	<b>74,780</b>	82,062	75,829
Present value of scheme liabilities	<b>(49,507)</b>	<b>(45,452)</b>	(66,922)	(61,241)
Changes in effect of asset ceiling	<b>(30,518)</b>	<b>(28,295)</b>	(13,679)	(13,168)
Surplus in the scheme	<b>1,050</b>	<b>1,033</b>	1,461	1,420
	<b>163%</b>	<b>165%</b>	123%	124%

The expected rate of return on assets is based upon market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation.

### Demographic/Statistical assumptions

The actuary has adopted a set of demographic assumptions that are consistent with those used for the most recent fund valuation, which was carried out at 31 March 2019. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males (2021: 110%) and 110% for females (2021:115%). These base tables are then projected using the CMI 2021 Model (2021:CMI 2020 Model), allowing for a long-term rate of improvement of 1.25% pa. (2021: 1.25% pa.), smoothing parameter of 7 (2021: 7.5) and an initial addition parameter of 0.0% pa (2021:0.5% pa) and a 2020 weighting of 5% (2021:25%) and 2021 weight parameter of 5% (2021: n/a).

	<b>At</b> <b>31 July 2022</b> <b>CMI 2020</b>	At 31 July 2021 CMI 2018
Life expectancy:		
Male current pensioner aged 65	<b>21.0 years</b>	21.6 years
Female current pensioner aged 65	<b>23.5 years</b>	23.6 years
Male future pensioner aged 65	<b>22.3 years</b>	22.9 years
Female future pensioner aged 65	<b>24.9 years</b>	25.1 years

# Notes to the Accounts

for the year ended 31 July 2022

## 28 Local Government Pension Scheme (LGPS) (continued)

	<b>Consolidated</b> <b>At 31 July 2022</b> <b>£'000</b>	<b>University</b> <b>At 31 July 2022</b> <b>£'000</b>	University At 31 July 2021 £'000
<b>Amounts recognised in the profit and loss statement are:</b>			
Service cost	<b>468</b>	<b>461</b>	483
Net interest on the defined liability	<b>(30)</b>	<b>(30)</b>	(26)
Administration expenses	<b>37</b>	<b>34</b>	42
Total operating charge	<b>475</b>	<b>465</b>	499
<b>Re-measurements in other comprehensive income</b>			
Return on Fund assets in excess of interest	<b>(597)</b>	<b>(552)</b>	12,065
Change in financial assumptions	<b>14,872</b>	<b>13,433</b>	(1,619)
Change in demographic assumptions	<b>1,281</b>	<b>1,177</b>	834
Other actuarial gains/losses	<b>0</b>	<b>0</b>	0
Experience gain/(loss) on defined benefit obligation	<b>(128)</b>	<b>(116)</b>	1,158
Changes in effect of asset ceiling	<b>(16,427)</b>	<b>(14,923)</b>	(13,168)
<b>Remeasurement of the (defined liability)/net assets</b>	<b>(999)</b>	<b>(981)</b>	(730)
<b>Movements in deficit during the year</b>			
Deficit in scheme in 1 August	<b>1,461</b>	<b>1,420</b>	1,571
Movements in the year:			
Current service charge	<b>(468)</b>	<b>(461)</b>	(483)
Contributions by employer including unfunded	<b>1,063</b>	<b>1,059</b>	1,078
Net interest on the defined liability	<b>242</b>	<b>234</b>	26
Liabilities assumed on settlements	<b>0</b>	<b>0</b>	0
Return on assets less interest	<b>(597)</b>	<b>(552)</b>	12,065
Actuarial loss	<b>16,025</b>	<b>14,494</b>	373
Settlement and Curtailment	<b>0</b>	<b>0</b>	0
Deferred Tax Asset	<b>0</b>	<b>0</b>	0
Administration expenses	<b>(37)</b>	<b>(34)</b>	(42)
Changes in effect of asset ceiling	<b>(16,427)</b>	<b>(14,923)</b>	(13,168)
Interest on asset ceiling	<b>(212)</b>	<b>(204)</b>	0
Deficit in scheme at 31 July	<b>1,050</b>	<b>1,033</b>	1,420

The asset ceiling limits the net defined funded benefit asset to be the projected employer service cost over the expected active membership of the Fund, less the certified employer contributions, discounted at the accounting discount rate as at 31 July 2022.

# Notes to the Accounts

for the year ended 31 July 2022

## 28 Local Government Pension Scheme (LGPS) (continued)

	<b>Consolidated</b> <b>At 31 July 2022</b> <b>£'000</b>	<b>University</b> <b>At 31 July 2022</b> <b>£'000</b>	University At 31 July 2021 £'000
<b>Change in benefit obligation during the period to 31 July</b>			
At beginning of year	66,922	61,241	62,721
Current service cost	468	461	483
Interest cost on pension liabilities	1,016	929	770
Change in financial assumptions	(14,872)	(13,433)	1,619
Change in demographic assumptions	(1,281)	(1,177)	(834)
Experience (gain)/loss on defined benefit obligation	128	116	(1,158)
Estimated benefits paid net of transfers in	(2,894)	(2,704)	(2,381)
Past service costs, including curtailments	0	0	0
Contributions by Scheme participants	60	59	64
Unfunded pension payments	(40)	(40)	(43)
Changes in effect of asset ceiling	0	0	0
<b>At end of year</b>	<b>49,507</b>	<b>45,452</b>	61,241
<b>Analysis of movement in the market value of the scheme assets</b>			
At beginning of year	82,062	75,829	64,292
Interest on assets	1,258	1,163	796
Return on assets less interest	(597)	(552)	12,065
Other actuarial gains/(losses)	0	0	0
Administration expenses	(37)	(34)	(42)
Contributions by employer including unfunded	1,063	1,059	1,078
Contributions by Fund participants	60	59	64
Estimated benefits paid plus unfunded net of transfers in	(2,934)	(2,744)	(2,424)
<b>At end of year</b>	<b>80,875</b>	<b>74,780</b>	75,829

# Notes to the Accounts

for the year ended 31 July 2022

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## 28 Superannuation Arrangements of the University of London (SAUL)

### General description of the pension scheme

The University of Essex participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

University of Essex is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

### Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and are due to be reviewed at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16% of CARE salaries to 19% of CARE salaries from 1 April 2022 and to 21% of CARE salaries from 1 January 2023.

### Accounting Policy

The University of Essex is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2020 was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2022 was £4,639 million representing 109% of the estimated liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. University of Essex accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post-valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by The University of Essex.

# Notes to the Accounts

for the year ended 31 July 2022

## 29 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

<b>Company</b>	<b>Principal Activity</b>	<b>At 31 July 2022 £1 Shares</b>	At 31 July 2021 £1 Shares
University of Essex Enterprises	Acquisition, protection and licensing of intellectual property from the University	<b>2</b>	2
Wivenhoe House Hotel Ltd	Development and operation of a hotel school	<b>11,100,620</b>	11,100,620
University of Essex Campus Services Ltd	Management of commercial activities at the University	<b>2,734,000</b>	1,833,584
University of Essex Knowledge Gateway Holdings Ltd	Holding land on behalf of the University for development as a Research Park	<b>37,025,955</b>	37,025,955
University of Essex Knowledge Gateway Ltd	Development and marketing of a Research Park	<b>28,885,277</b>	28,855,277
East 15 Acting School Ltd	Dormant throughout the year	<b>2</b>	2
Universal Accommodation Group Ltd	Holding land on which student accommodation is located	<b>1</b>	1
Eastern HE Cost Sharing Ltd	Provision of internal audit services	<b>100</b>	100
SEA Essex Sdn. Bhd. (Registered in Malaysia)		<b>0.18</b>	0

### Trading results of wholly owned subsidiaries:

	<b>Year Ended 31 July 2022 £'000</b>	Year Ended 31 July 2021 £'000
University of Essex Enterprises Ltd*	<b>0</b>	8
Wivenhoe House Hotel Ltd*	<b>3</b>	(517)
University of Essex Campus Services Ltd*	<b>(974)</b>	(1,103)
University of Essex Knowledge Gateway Holdings Ltd*	<b>84</b>	84
Universal Accommodation Group Ltd*	<b>0</b>	134
University of Essex Knowledge Gateway Ltd*	<b>581</b>	2
Eastern HE Cost Sharing Ltd	<b>0</b>	0
SEA Essex Sdn. Bhd. (Registered in Malaysia)	<b>11</b>	(1)
	<b>(295)</b>	(1,393)

\* Trading results before tax and gift aid payments.

These results have been included in the consolidated financial statements. All subsidiaries have a year end date of 31 July.

# Notes to the Accounts

for the year ended 31 July 2022

## 30 Agency Arrangements

	University	
	2021-22 £'000	2020-21 £'000
<b>OfS Teaching Grant</b>		
Payments received from OfS	26	39
Payments made to partner institutions	(26)	(39)
Balance unspent at 31 July	0	0
<b>Research England Research Grant</b>		
Payments received from Research England	503	368
Payments made to partner institutions	(503)	(368)
Balance unspent at 31 July	0	0

These funds are received by the University in respect of its partner institutions. The income and the related payments are therefore excluded from the Income & Expenditure Account.

The University has partnership arrangements for the delivery of Higher Education programmes with the Tavistock and Portman NHS Foundation Trust.

# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2021-22		2020-21			
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000		
<b>Statement of Financial Position</b>							
1 Cash and cash equivalents	Face of balance sheet - Cash and equivalents	73,768					
Investments	Face of balance sheet - Investments	38,000					
	<b>SUM</b>	<b>111,768</b>	<b>1.22</b>	<b>135,999</b>	109,779		<b>Lease right of use - Line 9</b>
2 Accounts receivable, net	Note 17 Trade and Other Debtors, sum of;						
	- Trade debtors	3,790					
	- Other debtors	37					
	- Student debtors	3,305					
	- Research grant debtors	30,917					
	- Research grant work in progress						
	- Other debtors due after more than 1 year						
	Minus Related party receivable (4)	0					
	<b>SUM</b>	<b>38,049</b>	<b>1.22</b>	<b>46,298</b>	44,095	A Pre-implementation	0 Remove from assets
3 Prepaid expenses - including stock	Note 17 Trade and Other Debtors - Prepayments and accrued income	15,224					
	Face of balance sheet - Stock	259	<b>1.22</b>	<b>18,840</b>	16,571	B Post-implementation	0
4 Related party receivable	Note 31 related party transactions			<b>0</b>			0
5 Contributions receivable, net	N/A			<b>0</b>			
6 Student loans receivable, net	N/A			<b>0</b>			<b>Lease right of use liability - Line 21</b>

# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule (continued)

Source in FRS 102 Financial Statements		2021-22		2020-21			
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000		
7 Investments	Face of balance sheet (NOTE 14) - Investments	169					
	Face of balance sheet (NOTE 14) - Endowment Assets	11,697					
	Face of balance sheet - Investment in Joint Venture	90					
	Face of balance sheet - Investment Properties	1,075					
	<b>SUM</b>	<b>13,031</b>	<b>1.22</b>	<b>15,856</b>	17,608	A Pre-implementation	0 Remove from liability
8 Property, plant and equipment, net	Face of balance sheet - Intangible Assets	0					
	Minus finance lease asset value (9)	0					
	Face of balance sheet - Tangible Assets	389,494					
	Face of balance sheet - Heritage Assets	798					
	<b>SUM</b>	<b>390,292</b>	<b>1.22</b>	<b>474,907</b>	560,213	B Post-implementation	0
9 Lease right-of-use asset, net	Asset equal in value to Finance lease liability (26)	0		0			0
10 Goodwill	N/A	0		0			
11 Deposits	N/A	0		0			
<b>12 Total Assets</b>	<b>SUM</b>	<b>568,623</b>		<b>813,131</b>	748,619	<b>Net Property plant and equipment</b>	
						A Pre-implementation	393,763 End balance on last financial statements prior to implementation of regulations, net of depreciation and disposals
13 Line of credit - short term	N/A		1.22	0			
14 Line of credit - short term for CIP	N/A		1.22	0			



# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule (continued)

Source in FRS 102 Financial Statements		2021-22		2020-21				
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000			
21	Lease right-of-use asset liability	Note 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - Obligations under finance leases less term deposits for repayment Note 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - Obligations under finance leases less term deposits for repayment						
	<b>SUM</b>		<b>0</b>	<b>1.22</b>	<b>0</b>			A Pre-implementation LTD 94,697 End balance on last financial statements prior to implementation of regulations, net of repayments
22	Line of credit for long term purposes N/A			<b>1.22</b>	<b>0</b>			B Post implementation LTD 0 Lessor of outstanding debt of each asset or value of asset
23	<b>Total Liabilities</b>	<b>SUM</b>	<b>380,232</b>	<b>1.22</b>	<b>462,666</b>	418,921		Vehicles 0
24	<b>Net Assets without Donor Restriction</b>	<b>CALC: Total Net Assets (31) - Total Net Assets with Donor Restriction (30)</b>	<b>175,119</b>	<b>1.22</b>	<b>213,085</b>	311,787		Furniture 0
	<b>Net Assets with Donor Restrictions</b>			<b>1.22</b>				Computers 0
25	Annuities	N/A		<b>1.22</b>	<b>0</b>			C Construction in Progress - debt 0
26	Term endowments	Note 22 Endowment Reserves - Restricted Expendable	<b>7,064</b>	<b>1.22</b>	<b>8,595</b>	9,479		D LTD not for purchase PPE 0 LTD not for purchase of PPE or liability
27	Life income funds	N/A		<b>1.22</b>	<b>0</b>			<u>94,697</u>
28	Other restricted by purpose and time	Face of balance sheet - Income and expenditure reserve - restricted reserve	<b>4,360</b>	<b>1.22</b>	<b>5,305</b>	5,857		
29	Restricted in perpetuity	Note 22 Endowment Reserves - Restricted Permanent	<b>1,848</b>	<b>1.22</b>	<b>2,249</b>	2,574		

# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule (continued)

	Source in FRS 102 Financial Statements	2021-22		2020-21	
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000
30 Total Net Assets with Donor Restriction	<b>SUM</b>	<b>13,272</b>		<b>16,149</b>	17,911
31 Total Net Assets	<b>CALC: Total Assets (12) - Total Liabilities (23)</b>	<b>188,391</b>		<b>269,399</b>	329,698
32 Total Liabilities and Net Assets	<b>CALC: Total Assets (31) + Total Liabilities (23)</b>	<b>568,623</b>		<b>732,065</b>	748,619

# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule (continued)

	Source in FRS 102 Financial Statements	2021-22		2020-21	
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000
<b>Changes in Net Assets without Donor Restrictions</b>					
<b>Operating Revenue and Other Additions:</b>					
33 Tuition and fees, net	Face of I&E - Tuition Fee and education contracts	<b>176,097</b>	<b>1.22</b>	<b>214,275</b>	240,277
34 Contributions			<b>1.22</b>	<b>0</b>	
Grants and contracts - including research	Face of I&E - Funding Body Grants 26,586		<b>1.22</b>		
	Face of I&E - Research grants and contracts 30,164		<b>1.22</b>		
	<b>SUM</b>	<b>56,750</b>	<b>1.22</b>	<b>69,053</b>	80,898
Private gifts and grants	Note 6 Donations and endowments	<b>250</b>	<b>1.22</b>	<b>304</b>	
		<b>0</b>	<b>1.22</b>	<b>0</b>	0
Other revenues	Face of I&E Less share of Income from Joint Venture (276)		<b>1.22</b>		
	Face of I&E - Other Income 51,330		<b>1.22</b>		
	<b>SUM</b>	<b>51,054</b>	<b>1.22</b>	<b>62,123</b>	52,071
Investment income	Note 5 Investment Income - Endowments	<b>80</b>	<b>1.22</b>	<b>97</b>	
	Note 5 Investment Income - Restricted Reserves	<b>68</b>	<b>1.22</b>	<b>83</b>	
Investment income	Note 5 Investment Income - Other interest receivable	<b>252</b>	<b>1.22</b>	<b>307</b>	96
35 Investment return appropriated for spending	N/A		<b>1.22</b>	<b>0</b>	
36 Auxiliary enterprises	N/A		<b>1.22</b>	<b>0</b>	
37 Net assets release from restriction	N/A		<b>1.22</b>	<b>0</b>	

# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule (continued)

Source in FRS 102 Financial Statements		2021-22		2020-21	
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000
<b>38 Total Operating Revenues and Other Additions</b>	<b>SUM</b>	<b>284,551</b>		<b>346,242</b>	373,342
<b>Operating Expenses and Other Deductions</b>					
39 Education and research expenses	Face of I&E - Staff costs	150,910			
	Face of I&E - Other operating expenditure	106,442			
	Minus endowment spend - Note 22 Endowment reserves - Expenditure				
	Minus restricted spend - Note 23 Restricted reserves - Expenditure				
	<b>SUM</b>	<b>257,352</b>	<b>1.22</b>	<b>313,146</b>	360,462
40 Depreciation and amortisation	Face of I&E - Depreciation	<b>15,578</b>	<b>1.22</b>	<b>18,955</b>	20,781
41 Interest expense	Face of I&E - Interest and other finance costs	<b>6,033</b>	<b>1.22</b>	<b>7,341</b>	8,692
42 Auxiliary enterprises	Face of I&E - Taxation	<b>0</b>	<b>1.22</b>	<b>0</b>	
43 Total Operating Expenses - excluding change in pension prov	<b>SUM</b>	<b>278,963</b>	<b>1.22</b>	<b>339,442</b>	389,935
	<b>CALC: Total Operating Revenue and Other Additions Operating Expenses and Other Deductions (38) - Total Operating Expenses - excluding change in pension provision (43)</b>	<b>5,588</b>		<b>6,800</b>	(16,594)
<b>44 Change in Net Assets from Operations</b>					
<b>Non-Operating Changes</b>					
45 Investments, net of annual spending, gain (loss)	Face of I&E - Gain/(loss) on investment	<b>397</b>	<b>1.22</b>	<b>483</b>	
46 Other components of net periodic pension costs	N/A		<b>1.22</b>	<b>0</b>	
47 Pension-related changes other than net periodic pension costs	Face of I&E - Staff costs - movement on USS pension provision	<b>(47,157)</b>	<b>1.22</b>	<b>(57,381)</b>	(1,158)
48 Change in value of split-interest agreements	N/A		<b>1.22</b>	<b>0</b>	
Loss on investments	N/A		<b>1.22</b>	<b>0</b>	

# Notes to the Accounts

for the year ended 31 July 2022

## 31 US Department of Education Supplementary Schedule (continued)

	Source in FRS 102 Financial Statements	2021-22		2020-21	
		£'000	FX rate USD: GBP 1.22	\$'000	\$'000
49 Other gains (losses)	Face of I&E - Increase in the value of Joint Venture	4	1.22	4	25
	Face of I&E - Actuarial loss in respect of pension scheme	(999)	1.22	(1,216)	(462)
50 Sale of fixed assets, gains (losses)	Face of I&E - Gain on disposal of fixed assets	0	1.22	0	
<b>Total Non-Operating Changes</b>	<b>SUM</b>	<b>(47,755)</b>		<b>(58,109)</b>	(1,595)
51 <b>Change in Net Assets without Donor</b>	<b>CALC: Change in Net Assets from Operations (44) + Total Non-operating Changes</b>	<b>(42,167)</b>		<b>(51,309)</b>	(18,188)
<b>Change in Net Assets with Donor Restrictions</b>					
52 Contributions	Face of I&E - Endowment comprehensive income for the year	483			
	Face of I&E - Restricted comprehensive income for the year	264			
	<b>SUM</b>	<b>747</b>	<b>1.22</b>	<b>909</b>	3,401
53 Net assets released from restriction			<b>1.22</b>	<b>0</b>	
54 <b>Changes in Net Assets with Donor Restrictions</b>		<b>747</b>		<b>909</b>	3,401
55 <b>Change in Net Assets</b>		<b>(42,167)</b>		<b>(50,400)</b>	(14,788)
56 <b>Net Assets, Beginning of Year</b>		<b>230,558</b>	<b>1.22</b>	<b>280,543</b>	344,484
31 <b>Net Assets, End of Year</b>		<b>188,391</b>		<b>230,143</b>	329,696

Composite Score	Ratio	Strength Factor	Weight	Composite Score
Primary Reserve Ratio	(0.1796)	(1.7961)	40%	(0.72)
Equity Ratio	0.2819	1.6915	40%	0.68
Net Income Ratio	(0.148)	(2.705)	20%	(0.54)
				(0.58)
Total Composite Score - Rounded to one decimal place				(0.6)

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