University of East Anglia

Annual Report and Financial Statements

2019 - 2020

University of East Anglia

Norwich Research Park
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http://www.uea.ac.uk

Contents

Charity Trustees and Members of Council

	Appointments/resignations	Term of Office ends
Independent Members		
Joe Greenwell (Chair to 31 March)	Resigned 31 March 2020	
Mark Williams (Treasurer)		31-Jul-2023
Graham Jones	Resigned 31 July 2020	
Gillian Maclean		31-Jul-2022
Stephen Blease		31-Jul-2022
Jeremy Clayton		31-Jul-2022
Laura McGillivray (Chair from 1 April)	Resigned 31 December 2020 Re-appointed 1 March 2020 Appointed as Chair 1 April 2020	31-Jul-2022
Kathryn Skoyles (Deputy Chair)		31-Jul-2021
Mark Davies		31-Jul-2021
Jeanette Wheeler		31-Jul-2022
Andrew Wood	Appointed 1 August 2020	31-Jul-2023
Ex-officio Members		
David Richardson (Vice-Chancellor)		n/a
Neil Ward (Deputy Vice-Chancellor)		31-Jul-2021
Fiona Lettice (Pro Vice-Chancellor)		31-Jul-2022
Appointed by Senate		
Ratula Chakraborty		31-Jul-2022
Louise Bohn		31-Jul-2021
Elected by the support staff		
Daisy Mailey		31-Jul-2021
Student Members		
Sophie Atherton	Resigned 31 July 2020	
Amelia Trew	Resigned 31 July 2020	
Elizabeth Payne	Appointed 1 August 2020	31-Jul-2021
Hamish Williams	Appointed 1 August 2020	31-Jul-2021

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

Vice-Chancellor
David Richardson BSc, PhD

Treasurer
Mark Williams, BA, MSc, ATT, CTA, CLD

Director of Finance
Jason Brown BA, FCCA

Bankers

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

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

Investment Managers

Barclays Wealth
1 Colmore Square
Birmingham
B4 6ES

Independent Auditors

KPMG LLP
Dragonfly House
2 Gilders Way
Norwich
NR3 1UB

Business Review

Introduction

The academic and financial year 2019-20 was marked by Covid-19 that hit in the early part of 2020 and was declared a pandemic on 11 March. In common with all other organisations this had a major impact on the operation of the University as we moved into business continuity mode and it continues to do so. As we approve these accounts for signature, we are in the midst of a second national lockdown. Despite these challenges we are proud of the way the University community responded to the need to move to home-working and to deliver online teaching across a single weekend in March and in all of the work that was done to support the Covid response at a critical time for our community. Whether this was the almost immediate transfer to the world of work for our final year medical, nursing and health science students, staffing the production line for hand sanitiser and face shields, responding to media enquiries or working on the science of the virus; we could not have asked for more from our staff and students. In spite of all these challenges we have continued to deliver teaching and learning, to undertake high quality research and to provide support to our students and staff on and off campus. There has clearly also been a financial impact from Covid but we took swift action to minimise this wherever possible.

The University continues to enjoy a strong league table position delivering a Top 25 performance in two of the main UK tables this year (The Times/Sunday Times Good University Guide and the Complete University Guide), as well as maintaining its strong performance in the National Student Survey. UEA also maintained its position in the Top 200 universities globally in the Times Higher Education world rankings and world top 50 for research citations. In order to maintain this enviable position it is vital that the University continues to perform well on the various measures reflected in the league tables.

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

- Covid-19 has severely affected the operations of the University. Action was taken from March 2020 onwards to mitigate the impact where possible (with business continuity meetings commenced in January 2020). This included use of the government furlough scheme where appropriate and cancellation or delay of discretionary spend;
- This year staff costs include £35.6m credit in relation to the movement on the USS provision and a further £5.9m credit has been taken to Other Comprehensive Income in respect of actuarial losses on the UEASSS scheme;
- From a cash perspective it is pleasing to note that despite the pandemic the University continued to be cash generative with net cash inflow from operating activities of £16.2m (2019: £39.7m);
- The continued consolidation of the Quadram Institute Biosciences ("QIB") and The Sainsbury Laboratory ("TSL") are reflected as a £2m loss and £1.9m surplus respectively.

During the year, the University continued to work on delivery of the 15-year Vision and the more detailed first of three five-year Plans (2016-2020). This period coincides with a time of continuing economic uncertainty and profound changes in the way that English Higher Education is funded and the 2016-2020 Plan was designed to guide the University through these turbulent times, securing the necessary funding and attracting the necessary talent to consolidate its position in the sector. A significant focus has been to work on long-term financial plans that will support planned capital investment and the refurbishment of the "Lasdun Wall", the central spine of the University where significant learning, teaching and research activities take place) which will support the core themes of the Vision:

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

The 2016-2020 Plan then sets out more detailed objectives and priorities under ten broad headings:

- Projecting our reputation: a world-leading university at the heart of local, national and global networks
- Investing in our campus
- Growing on our campus and in our city
- Growing a student community with an excellent student experience
- Increasing our research power and impact
- Investing in our technology-enhanced learning capacity
- Supporting and developing our staff
- Growing our number of academic staff
- Developing an enterprising campus
- Remaining a leader in regional economic and cultural development.

Business review (continued)

Annual operational plans and targets translate these broad objectives into measurable activities. The Vice-Chancellor provides regular updates on progress in his reports to Council and would normally also provide an update to Court which this year, in common with so many other events including graduation, had to be cancelled. In this report, assessment of performance is based primarily on the key financial highlights considered below.

During the year, the University has continued work on developing the more detailed operational plans that will sit beneath the core objectives of the Vision and Plan. In financial terms the focus has been to improve the efficient management of the University in order to generate funds that can be directed towards the improvement of the student experience. Investments in student experience, academic staff and facilities continue to be the priorities for the University. The major issue to be addressed over this period is to commence the refurbishment of the Lasdun Wall, a Grade 2 listed building, which now requires substantial investment to bring it up to modern standards.

Key Financial Highlights

2019-20 proved to be a challenging year for the University and its subsidiaries given the pandemic. Key financial highlights for the year, compared to the previous year, are summarised below:

	2020	2019	Increase/ (decrease) on 2019
	£m	£m	
Group income (excluding joint ventures)	304.3	307.6	(1.1%)
Expenditure	281.1	360.7	(22.1%)
Surplus/(Deficit) for the year before taxation	23.0	(51.6)	
Adjusted (Deficit)/Surplus for the year (prior to recognising movement in respect of pension schemes)	(12.6)	4.8	
Adjusted (Deficit)/Surplus as % of group income	(4.1%)	1.70%	
Capital expenditure additions	33.4	56.1	(40.5%)
Capital grants receivable	3.6	3.5	2.9%
Net cash inflow from operating activities	16.2	39.8	(59.3%)
Net assets	362.2	345.1	5.0%

COVID-19 pandemic

As referenced in the introduction, the pandemic hit the United Kingdom in early January, eventually placing the country into full lockdown from March 2020. This had a significant financial impact on the University at this point, mainly due to the impact on income from the residences. The University was one of the early decision makers in the sector agreeing to release students early from their accommodation licences. The pandemic also significantly hit other trading areas with the overall loss in income for 2019/20 for trading activities being £9.4m (Residences - £6.7m, Catering - £1m, Nursery - £0.3m, and Sportspark - £1.4m). The University mitigated the loss of income through a number of immediate actions including a recruitment freeze, stopping where possible all but essential non-pay spend and reviewing estates and capital spend to reduce this to spend required to ensure statutory compliance or where there was an existing contractual obligation. We continue to review expenditure closely and regularly monitor our mitigation strategy.

Income & Expenditure

The total comprehensive surplus for the year is £17.1m (2019: £61.1m comprehensive expense). This is after recognising the actuarial loss in respect of pension schemes (£5.9m), and the reduction in the USS pension deficit (£35.6m) included within staff costs. Adjusting for these two items the Group has delivered a deficit for the year of £12.5m against a budgeted deficit of £13.3m (2019: £4.8m surplus).

Group income of £304.3m reduced by £3.3m (1.1%) over the previous year. Funding body grants increased by £4.4m reflecting the allocation of specific grants during the year in relation to the innovation fund, global challenges research fund and additional capital grant. Recurrent teaching grant remains stable recognising the fact that virtually all remaining funding for teaching relates to Medicine and Science students and funds to support widening access programmes.

Within tuition fees and education contracts income, Home and EU full-time student fees increased by £7.7m to £109.3m (7.6% up on last year) and Overseas student fees reduced in the year to £36.5m (2019: £39m. The increase in Home/EU student fee income is primarily the result of additional student numbers: the University continued to be successful in increasing recruitment in a market which was challenging as a result of a demographic dip in the number of 18 year-olds. The figure also represents the continuation of higher recruitment into future years of courses. The dip in international student fee income related to a reduction in the number of postgraduate taught students and, prior to the pandemic, was showing signs of a reversal for this year. The University continues to benefit as a result of students progressing from the INTO joint venture.

Research income reduced by £4.6m (8.2%) primarily as a result of the pandemic, giving rise to a change in the profiling of research grant receipts, which have been extended into future years. Other income at £48m is £6m lower than 2019 (£54m) primarily due to the impact of the pandemic on trading activities (residences, catering and conferences).

Total expenditure reduced by £79.6m (22.1%) in the year. This was primarily as a result of a reduction in the USS pension liability of £35.6m compared to an increase of £56.4m in 2019). Excluding the pension provisions, there is an overall net reduction in spend of £12.4m, reflecting lower planned operating costs to mitigate reductions in income as a result of the pandemic. Interest payable costs have increased by £1.7m reflecting £0.8m of loan interest costs and interest charged on pension liabilities of £0.9m (non-cash).

Reserves

Net assets increased in the year by £17.1m to £362.2m. The movement includes £27.8m reduction in the pension provisions taken to staff costs and the SOCI.

Capital Expenditure and Grants

Total tangible fixed asset additions in the year amounted to £33.4m (2019: £56.1m) and capital grants receivable in the year (excluding joint ventures) relating to tangible fixed asset expenditure amounted to £2.4m (2019: £2.7m). The major areas of capital expenditure during the year included:

	£m
New Science Building	1.2
Infrastructure	2.2
Information technology	6.6
Sportspark maintenance and investment	0.2
Creating Spaces	1.7
MRI Scanner	1.3
Faculty and research equipment	2.6
Productivity East	0.8
Heritage asset donations	2.0
Refurbishment and improvements	8.2
Other capital expenditure	6.6
	33.4

Cash and Debt

Net operating cash flow
Cash inflow from operating activities before endowment expenditure for the year was £16.2m (2019: £39.7m). Total debt service costs, relating to both loans and finance lease commitments were £6.8m (2019: £5.1m). Cash inflow from operating activities plus investment income (£0.9m) was £17.1m which at 2.5 times total debt service costs comfortably exceeds the minimum multiple of 1.2 times, being the principal financial covenant required under the terms of the University's banking facilities.

Net debt
Consolidated net debt, being loans and finance leases less cash and cash equivalents, decreased during the year by £6m to £89m.

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

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

Cash and cash equivalents, excluding endowment assets (£6.6m), increased during the year by £2.2m to £49.7m. A prudent policy is applied to the investment of short term deposits. In particular, the University regards the security of deposits as being far more important than the marginally better interest rates that may be available from certain overseas or lower rated banks.

Business review (continued)

Joint Ventures

The joint venture, INTO UEA LLP ("INTO UEA Norwich"), referred to in note 15 to the financial statements, has been significantly impacted as a result of the pandemic. For the year 2019/20 the joint venture was able to manage the financial position such that a breakeven position is reported. However, the more significant impact has fallen into 2020/21 as a result of lower recruitment. Costs continue to be managed tightly but there has been a need to access the Government supported CBILS scheme to support cashflow requirements for the current year and beyond. The University and the other joint venture partner (INTO University Partnerships) are each acting as guarantors in respect of this loan (50% each) to a maximum total value of £7m. It is anticipated that there will be no distribution in respect of 2019/20 nor for the next three years whilst the joint venture recovers and builds up surpluses for distribution.

Outlook

The Covid-19 pandemic has affected the world significantly. The immediate response to the pandemic led to major and swift changes to the operation of the University and our ability to deliver our academic and civic mission. Actions were taken to manage and secure the immediate personal, academic and financial impacts for 2019/20. Looking ahead the University has focussed on navigating the longer-term impacts for 2020/21 and beyond. The aim is to secure the long-term financial position of the University and, as far as is possible, take actions that minimise the risks to the University. It is our aim to ensure that whilst taking action necessary to manage our financial position we do nothing that will impact the long-term reputation for excellent teaching and high quality high impact research.

In managing the outlook, a number of scenarios were modelled in respect of the potential impact of Covid-19 on the University's finances for 2020/21 and beyond. These formed the basis of the budget for 2020/21 and are constantly revised as the position becomes more certain, for example when the results of the annual recruitment cycle were known. Our scenarios included a reduction in budgeted income of £35m (10% reduction in home student recruitment, 75% reduction in undergraduate international recruitment and a 75% reduction in all postgraduate taught recruitment together with conservative estimates for the continuation rate for progressing students). The impact of these reductions in intake across future years was forecast to be c£65m when taking account of subsequent years of study.

Despite the impact of the pandemic the outcome of 2020/21 recruitment for Home/EU students has in aggregate been achieved. Recruitment of international students has continued to be extremely competitive and has been significantly impacted by the travel difficulties created by the pandemic. Pre-pandemic forecasts for international students were suggesting a significant increase in applications which, under normal circumstances, would have translated to higher international student numbers. As mentioned above we had forecast reductions in international student starts of 75% but this turned out to be an over-estimate with the actual impact being a reduction of 43%. Overall the University fell approximately 9% short of entry targets which is a significant achievement in a highly competitive market, at a time of a worldwide pandemic and at the lowest point in a demographic dip in the number of eighteen-year-old students. Students returning for second, third and fourth years have returned with no material increase in attrition rates, giving rise to an overall adverse financial impact of £10.2m.

There remain high levels of uncertainty around how the pandemic will continue to influence the way in which we can operate for the 2020/21 academic year and potentially into future years. As such a number of measures are being held in the University budget to provide further safeguards as summarised below:

- Increased attrition assumptions are held at 10% Home and 20% International students (c£6m);
- Further net impact on commercial activities of c£4m;
- Additional costs associated with operating the University in a Covid-safe way. This include costs of up to £3.5m to provide additional wellbeing and student support, delivery of safe outside spaces and social activities, increased health and safety activity and the funding of the University's test and isolate service to stop the asymptomatic spread of the virus and protect students, staff and the wider community.

It remains a key priority for the University to operate as a dual mission institution. The loss in income and additional cost burdens as outlined have been offset by a suite of mitigations which have been carefully considered to avoid compulsory redundancies wherever possible. This is being achieved through:

- Minimising non-pay costs as far as possible - c£7.8m;
- Reducing non-contractual spend on staff (temporary staff, overtime, additional hours, replacement of leavers) – c£6.7m;
- Eliminating the annual pay award for 2020/21 (2018/19: 1.8%) – c£3.1m;
- Prioritising workload to focus on activities that are core to the University, the student experience and delivering the most impactful research. This inevitably means a reduction in activity that does not directly support teaching but we aim to minimise the period of time this covers at the same time as supporting staff in maintaining manageable workloads.

The measured approach taken to securing the financial position of the University at the start of the pandemic and continuing into the current financial year is reflected in our revised long-term plan and we continue to demonstrate financial sustainability through maintaining positive cash balances and covenant compliance throughout 2020/21 and future years. There remain further possible mitigations which, in the event of a downturn in income or increase in costs, could be utilised. These include a number of pay and non-pay actions and are discussed regularly by the Executive Team, Finance Committee and Council and have been shared with staff and their representatives. There is currently headroom in both our forecast cash balances and banking covenant compliance before additional mitigations would be required.

Further stress testing has been performed to assess the impact of measures to be undertaken ranging from a six week lockdown to a repeat of the March 2020 lockdown. Increased attrition is already included for home and international cohorts of 10% home and 20% international. The outcome is that covenants can be maintained along with positive cash balances for the period through to 31 December 2021 and beyond.

The University's recruitment of EU students has remained constant after the Brexit referendum. It remains to be seen how this will be impacted as we move beyond the end of the transition period on 31 December 2020. EU students commencing studies after that date will be liable to fees at the international rate and we would anticipate that demand will reduce from at least some, if not all, EU countries. It has been challenging to identify and put in place significant mitigations in the face of huge and continuing uncertainty about the post-Brexit relationship between the EU and the UK.

Uncertainty continues in respect of the national pension scheme for university employees (USS). The scheme had a triennial valuation as at 31 March 2018 which has been reflected in the financial statements and resulted in significant reductions in the deficits held on University balance sheets (contrary to the significant deficits reflected in 2019). The adjustment is not an actuarial liability but an accounting provision to reflect that there is a contractual obligation to fund the deficit in the scheme over a number of years. The movement on this provision is reported as part of the staff costs and has the effect of increasing the surplus. As part of the ongoing process to manage the variety of opinions in respect of the USS deficit, including the outcome of the Joint Expert panel (JEP) review, a new valuation as at 31st March 2020 was commissioned. Given the timing of the valuation and the changes to long-term interest rates and gilt yields, the initial outcome of this valuation will be a further increased deficit position (before any review of employer risk appetite and other mitigating actions is considered). An adjustment to reflect the revised valuation will be made in the financial statements for the year ended 31 July 2021. As part of the valuation process, discussion will continue regarding the future funding of the scheme. This will include a review of the level of risk employers are prepared to bear, how the financial performance of employers will be monitored (USS has set out a suite of covenants they wish to see satisfied by employers) and the wish of USS to move to a position where the granting of security to lenders will be matched by a commitment to the pension scheme. USS employer and employee contribution rates are agreed until October 2021 at which point they are scheduled to increase (subject to the outcome of the March 2020 valuation). The outcome of the valuation could have a significant impact on the costs of employing staff in the future and with staff costs continuing to represent around 60% of total expenditure, excluding depreciation and interest, any increase in employee costs will have an impact on the overall financial position.

In these uncertain times and in an increasingly competitive market place, the current prosperity of the University relies heavily on securing the future flow of high calibre students. This, in turn, is very much dependent on maintaining and improving the reputation and standing of the University, as demonstrated in the league tables. In order to progress this agenda UEA was due to publish the next in its series of five year plans that underpin the Vision 2030. A considerable amount of work and engagement had been done in preparation, involving a broad range of activities including: examination of the changing HE context; evolution of the key success themes of the 2030 Vision (Student, Research, Staff and Global) and the Big Shifts that are needed to drive progress in these areas; consideration of a new success area (Sustainability); a refresh of our Values linked to our brand and identity; work to support a strategic planning cycle as part of our critical high-level decision-making. In the light of the pandemic and the implications for UEA the publication of the next five-year plan has been delayed until 2021 so that we can focus on the near term Covid recovery plan which builds on the emergency responses already underway

The Estates Strategy was signed off in 2015 and was underpinned by the refinancing of loans in 2018 to enable the first stage of works to be undertaken. This was to have been the provision for a decant space built on the main carpark enabling access to be granted to the first phase of the Lasdun Wall. In the aftermath of the pandemic we halted work on the decant space along with all other non-essential capital spend. This in turn has triggered a recast of the Estates Strategy with the knowledge that the cash position will be more constrained due to the initial impact of Covid-19 on available cash flow, delaying the strategic growth in student numbers and immediate essential works required to repair spandrel panels covering the frame of the Lasdun Wall. One of the key aims of the Estates Strategy will be to improve the sustainability of the current estate and ensure a positive trajectory to achieve the legal requirement of Net Zero Carbon (NZC) targets by 2030 and 2045 respectively.

The financial outlook for the next few years remains unknown for the sector especially as the pandemic continues. However, there is an expectation that, as we exit the demographic dip, positive opportunities will prevail. In the short-term we continue to focus on doing all we can to mitigate the impact of the pandemic. We have taken difficult decisions, working together with staff and their representatives. Measures have included cancellation of the 2020/21 pay award for all staff (except those covered by our commitment to the Living Wage Foundation Living Wage where we will pay the recommended increase of 20p per hour from 1st

Business review (continued)

April 2021). Staff at Grade 8 and above have also foregone increments that were due on 1st August, many staff have taken voluntary reductions in working hours and others, including the Executive Team, have taken a reduction in salary for a period of six months to 31st January 2021. Our focus will remain on delivering a strong operating cash flow to maintain financial sustainability and to complement the loan facility in order to deliver the Lasdun Wall project and ensure UEA remains the "must go to" University for promoting the success of staff and students.

David Richardson
14 December 2020

Mark Williams
14 December 2020

Corporate governance statement

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

Principles and ethos of the University
The University aims to conduct its activities in accordance with the seven principles set out in the Nolan Committee's Report on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The University takes account of best practice in all aspects of corporate governance, applying the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council, as appropriate to universities, and specifically complying with The Higher Education Code of Governance issued by the Committee of University Chairs in December 2014. A new Code was issued by the Committee of University Chairs in September 2020 and the Governance Committee is currently reviewing this to identify any changes required to ensure continued compliance. A review of Council Effectiveness was undertaken in January 2016 to address the effectiveness of Council and highlight the new responsibilities of Council for the provision of assurance confirmations. Council is preparing to commission a new Governance Review with the aim that this is completed in the 2020/21 financial year.

Statement of Council responsibilities in respect of the financial statements

Council is responsible for preparing the financial statements in accordance with the requirements of the Office for Students' terms and conditions of funding for higher education institutions and Research England's terms and conditions of Research England grant and applicable law and regulations.

Council is required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.* The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent University financial statements Council is required to:

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

Council is responsible for keeping proper accounts and proper records in relation to the accounts. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students 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.

University constitution and structural organisation
Council is the governing body of the University and has a majority of independent members. The full detail of membership is shown on page two of these statements. It usually meets six times a year (the minimum requirement is to meet at least four times

a year) and has several committees, including Finance Committee, Governance Committee, Audit Committee and Senior Officers' Remuneration Committee (SORC).

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

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

In respect of its strategic and development responsibilities, Council receives recommendations and advice from Finance Committee. Finance Committee, inter alia, recommends to Council the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets.

Governance Committee considers nominations for co-opted vacancies in Council membership under the relevant Statute and is responsible for monitoring the implementation of the findings of the Council Effectiveness Review. This Committee will also commission future periodic reviews of Council Effectiveness. The Committee is chaired by the Chair of Council and its membership includes two independent members appointed by Council from amongst members.

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

The Senior Officers' Remuneration Committee considers the remuneration of the members of the Executive Team and the Directors of Professional Services. Terms of reference and membership were reviewed during 2018/19 to ensure compliance with the CUC Remuneration Code, published in June 2018. The Vice-Chancellor is not a member of SORC but attends in respect of the discussions related to the other members of the Executive Team. The Deputy Chair of Council chairs SORC, but the Chair of Council remains a member of SORC. In light of the CUC Code, SORC were meeting more frequently (prior to the pandemic) and have agreed a programme of further activity to ensure continuing compliance with the CUC Code and the OfS accounts direction.

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

Statement on Internal Control

Council is responsible for the University's system of internal control and for reviewing effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The process for identifying, evaluating and managing the University's significant risks is now well developed and is regularly reviewed by Council and adapted in the light of experience. The process operated throughout the year and up to the date of approval of the audited financial statements, and accords with the internal control guidance for directors in the UK Corporate Governance Code as deemed appropriate for higher education.

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

The internal audit programme for 2019/20 was specifically designed to review areas of the University where both management and Audit Committee had concerns about effectiveness. As expected, the internal auditors identified areas where significant improvement is required and their reports will help the Executive Team to develop and implement action plans to ensure that substantial improvements are achieved during 2020/21. The reviews did not involve core academic matters or matters of a financial nature.

Corporate governance statement (continued)

Principal risks and uncertainties and financial risk management

As mentioned above, the University has in place a risk register, which is regularly updated and reviewed by the Executive Team and Audit Committee (and at least annually by Council). The risk register identifies the key risks, their potential impact on the operation of the University, the likelihood of those risks occurring, and the mitigating actions being taken. The internal audit programme is prepared with reference to the University risk register. Outlined below are the key risk groups' mitigating actions.

Covid-19: pandemic
By far the biggest risk currently facing the University is the continuing impact of the pandemic. This impacts on all of the specific risks below but probably most significantly the response to the pandemic has absorbed, and continues to absorb, a huge amount of time across the University. Our key priority has been to ensure the safety and wellbeing of our students, staff and visitors to campus and to maintain financial stability. The University moved to online provision across a single weekend in March 2020 and the vast majority of staff were able to move swiftly to home working. The response of all of our staff has been spectacular. Our IT systems have withstood this unprecedented level of change in ways of working. The University remained open throughout the first national lockdown with essential services maintained and key services operated in accordance with government guidance and legal framework. The University's business continuity activities commenced in January 2020 when it became clear that Covid-19 would affect our operating model and escalated rapidly on declaration of a pandemic.

Following the immediate response to secure the safety and wellbeing of staff and students and secure our financial position, a major programme of work was established over the late spring and summer that developed plans to ensure a safe return to campus as far as was appropriate and to prepare for the delivery of a blended online and in-person teaching delivery model. Research laboratories were also re-opened once they were confirmed as Covid-safe.

There will be ongoing risks to our financial position as the effect of reduced student recruitment flows through the future years of the financial model but based on the information we currently have available we are confident that we can continue to meet our banking covenants. We continue to develop a range of scenarios to manage potential shortfalls in income or additional costs and these are monitored via a sub-group of the Executive Team and reported to the wider Executive Team, Finance Committee and Council as appropriate. We also work with the campus trades unions to ensure they are fully briefed on the financial position and measures to manage the impact of the financial mitigations on staff.

We are continuing to operate in business continuity mode and have a range of structures in place to respond to the latest information and with an aim to minimise risk as far as possible and to ensure the University is as well placed as possible to return to normal whenever that may be.

Student recruitment, Teaching Excellence Framework and performance measures
The University has been successful in recent years in recruiting additional student numbers, specifically Home/EU undergraduates. However, the recruitment market both at home and abroad is ever more competitive and this is compounded by the current demographic dip in the number of 18 year olds in the UK. The pandemic has seriously impacted the recruitment of new international students for entry in September 2020. The University worked hard to generate a range of potential scenarios during the Spring and also identified mitigation for the anticipated shortfall in new students and the potential for existing students choosing to take a break in their studies. Whilst there has been a significant impact, on recruitment, it was better than our worst case scenario. There was also potential for impact on the Home/EU numbers as a result of the major issues that impacted A level results. The admissions teams and the wider staff of the University responded exceptionally well to secure our position which changed radically over the space of a few days in August. In normal times, the risk is mitigated by a range of activities including regular and routine reviews of admissions targets and progress against achieving those targets, regular review of courses and product provision, significant investment in brand awareness and recognition, significant investment in international recruitment both directly and through our relationship with INTO together with core activity in five countries. This is supported by a programme of highly successful open days and applicant visit days, monitoring and management of social media channels, investment to raise the profile of the University during confirmation and clearing activity and a network of overseas representation (both directly and indirectly engaged). This routine served us well in mitigating to the extent possible the added risks of the pandemic and we were able to respond rapidly and with a large degree of flexibility.

Staff recruitment and retention
The University's ability to recruit high quality staff is key to future growth and so the University places a significant emphasis on their recruitment, retention and performance. The University is investing heavily in new research programmes in collaboration with research institutions on the Norwich Research Park, adding to the attractiveness of the University to leading academics. The next Research Excellence Framework (REF) exercise is fast approaching and plans are being formulated to increase the number of

Corporate governance statement (continued)

academic staff returned in the REF with recruitment and retention activity being focussed on this as a key priority. A People and Culture Strategy Group has been established as part of our response to the latest staff survey and to ensure a co-ordinated approach to all people related matters. We are also working to support non-UK EU national staff and students with the EU Settlement Scheme processes.

As is to be expected the pandemic has had a significant impact on our plans to recruit staff. One of our early responses was to reduce temporary staff budgets and to instigate a post freeze for all but the most essential posts. We also cancelled study leave for the majority of staff for 2020/21 except where plans were well advanced. No pay award was made for the current financial year (although we will honour our commitment as a Living Wage Foundation accredited employer). In addition many staff offered temporary reductions in working hours and/or salary and staff Grade 8 and above did not receive increments due from 1 August 2020.

Financial risk

Covid-19 has placed significant pressure on our financial position. Whilst we have been able to stabilise the University's finances there will be an impact on the long-term financial plan and there has been an impact on our cash balances. All of the currently foreseeable impacts have been incorporated into our financial plans and rolled through for the next five years. On the basis of that information we anticipate continuing to maintain compliance with all of our financial obligations and banking covenants. We are currently revisiting our capital plan in line with the updated Estates Strategy approved by Council in September 2020. All but essential or committed capital expenditure was paused when the pandemic hit to maintain cashflow.

A highly significant area of financial risk arises from the University's participation in the Universities Superannuation Scheme (USS) where the 2017 valuation proved to be highly contentious and led to an additional out of cycle valuation being undertaken as at 31 March 2018. A further valuation is currently in train with the reference date being 31 March 2020. Following extensive discussions between UUK, UCU and USS it was agreed that the increase in employer and employee contributions would be held below the level originally requested by the Trustee. The first stage of higher contributions took effect from 1 October 2019 and are held at this level for two years. The risks linked to the valuation are many both in terms of financial risk linked to the continued low gilt rates and the employee relations issues linked to changes in either benefits or contributions. Any increase in contribution rates over and above current rates will have a significant impact on the long-term financial plan and will require cost savings to be identified.

Building and service risks

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

Regulatory and legislative changes

The General Data Protection Regulations (GDPR) came into force on 25 May 2018 and, in common with all other data processors, the University undertook a significant programme of work to ensure an acceptable level of compliance with the new regulations. This included training for all staff, strengthening of the data protection team and the formal nomination of a Data Protection Officer. The team has worked across the University and closely with other higher education colleagues and has developed an action plan to ensure enhanced compliance.

The Office for Students (OfS) became the regulator of higher education teaching provision in April 2018 and, at the same time, responsibility for research funding transferred to UK Research and Innovation. This brought with it a fundamental change to the regulatory framework for higher education. The University has identified each of the new regulatory requirements of the OfS and has strategies to ensure appropriate monitoring and compliance with these requirements.

Brexit

The transition period following the UK's exit from the EU ends on 31 December 2020. However, it still remains unclear how this will impact on the UK as a whole and the University in particular. The continuing uncertainty around Brexit is challenging for the University and our staff and students. We have actively promoted the EU Settlement Scheme to eligible staff and students and we have strengthened our links with European universities through the AURORA network. UEA is part of an EU funded initiative to support academic co-operation and will continue to partner with European universities for the foreseeable future.

Sustainability

The University declared a "Climate and Bio-Diversity Emergency" during 2018-19 and sustainability is very high on our agenda and that of many of our stakeholders. During 2019-20, and building on the history of the University Climatic Research Unit, we continued to review our impact on sustainability and develop proposals to reduce our impact both now and in the future. These plans were knocked off course by the pandemic but progress has been made, especially in the area of the estate. Responses to this emergency are likely to impact both finance and reputation as well as requiring individuals to change their behaviour.

Corporate governance statement (continued)

Capacity

We have ambitious plans and during the first half of 2019/20 were in the process of developing the next five-year cycle of our strategic plan aligned to the 2015-2030 Vision. These plans have been placed temporarily on hold whilst we respond to the pandemic but will be revisited as soon as possible. The anticipated significant levels of change will require high levels of capacity to both identify and achieve change from the entire University. We are working hard to make change and simplify policies, processes and procedures to free up capacity but this could be a limiting factor to some of our plans if not managed appropriately.

Interference from foreign powers/IT security

There is a growing awareness of the potential for foreign powers and external entities to wish to obtain information regarding our research activities. This has been heightened in recent months. Universities UK (UUK) are producing information on the risks posed from this area of activity and we routinely receive these from them. In addition, and in common with the rest of the sector and economy, we are aware of attempts to gain unauthorised access to our IT networks. During the year we have achieved the requirements of Cyber Essentials (a scheme that enables us to undertake research with access to certain categories of data) and the team continue to be vigilant in monitoring our network and systems for inappropriate activity. We have also introduced additional measures to ensure users of our systems are warned when potentially suspicious activity takes place and we continue to be members of JISC (the Joint Information Systems Committee). JISC provides specialist advice and support across the higher education sector.

Fundraising

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

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

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

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

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

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

The Sainsbury Centre for Visual Arts (Sainsbury Centre), a discrete cost centre of the University, has its own fundraising function, led by the Head of Development (SCVA), responsible to the Director of the SCVA, who is responsible for all aspects of fundraising

Corporate governance statement (continued)

at SCVA, and who in turn reports to the Vice-Chancellor. The SCVA has a voluntary Board, led by an unpaid Chairman, which provides strategic direction for SCVA and which can influence fundraising priorities, programmes and projects.

Statement of disclosure of information to auditors

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

Availability of financial statements on the web site

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

Laura Mcgillivray
Signed on behalf of Council on 14 December 2020

Public benefit statement

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

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

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

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

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

- The University responded rapidly to the Covid-19 pandemic via a number of routes which included:
    - Switching laboratory capacity to the production of significant volumes of hand sanitiser for local NHS Trusts, the production of visors and the provision of expert advisers to the media and society generally to ensure sharing of information about the pandemic In addition, we have worked with colleagues on the Norwich Research Park to develop the Norwich Testing Initiative to enable staff and students as well as others from the Park to receive regular testing for Covid-19;
    - Students from the School of Health Sciences and the School of Medicine ended their studies early and moved to take up posts in the NHS ahead of the planned start dates. This added significant capacity to the NHS at the time of greatest need.
    - The University utilised facilities in support of the NHS in a number of ways including provision of childcare facilities for the children of key workers supported by external funding and the provision of accommodation to workers in the NHS. Our maintenance staff were seconded to the Norfolk and Norwich University Hospital to assist in their preparations for their response to the pandemic and we made our car parking facilities available to NHS staff free of charge. We also provided facilities to enable the Police to train new recruits;
- We were a founder sponsor of "Sync the City" an event that brings together budding entrepreneurs with experienced business mentors and technology experts. Sync the City has been described as "a bit like an episode of The Apprentice, followed by an episode of Dragons Den, all condensed into 54 hours";
- The University has long established programmes, together with the Students' Union that facilitate volunteering opportunities for our students. Students volunteer in a wide variety of settings across the City, Region and Country;
- As part of our commitment to equality, diversity and inclusion, the University is working towards achievement of the Race Equality Charter and routinely works with Stonewall and participates in their employer index. The University is also an accredited Living Wage Employer;
- We have worked on our landscape to achieve the "Green Flag Award" for improving biodiversity and making the environment available to students, staff and the general public;
- The School of International Development undertakes research which contributes to the relief of poverty and hardship in developing countries;
- The Centre for Competition Policy runs research programmes that explore competition policy from the perspective of economics, law, business and political science;
- The Sainsbury Centre for Visual Arts provides open access to world art including activities for school children;
- There is an active programme of research activity within the Faculty of Science and the Faculty of Medicine and Health Sciences, linked closely with the Norfolk & Norwich University Hospital NHS Foundation Trust to advance understanding and effectiveness of medicine, and translate research into practice;

Public benefit statement (continued)

- The Quadram Institute (a collaboration between Quadram Institute Biosciences, UEA, BBSRC and the Norfolk and Norwich University Hospital) links researchers and clinicians to advance understanding of the impact of food on health, so providing a scientific framework for enhancing healthy ageing;
- The Tyndall Centre for Climate Change Research and the Climatic Research Unit engage in research on the effects of climate change;
- Sportspark provides a wide range of sports facilities to the University and local community and is also working with a wide variety of organisations to improve wellbeing by physical activity;
- The University is a member of the Norwich Opportunity Area partnership board which aims to raise aspiration for children in Norwich;
- The University has signed up to the Civic Universities Network reflecting the importance the University places on its long history of civic engagement across East Anglia as well as the current regional partnerships underway to meet the challenge of the national emergency.
- The University has established UEA Health and Social Care Partners with eleven partner NHS Trusts including acute, community and ambulance services, Norfolk County Council and the Norfolk and Waveney Clinical Commissioning Group, with the objective of conducting research that benefits the health and wellbeing of patients and NHS professionals.

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

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

In order to demonstrate that the aims and activities of the University are for the public benefit, these benefits must be to the public in general or to a sufficiently wide and appropriately defined section of the public. It is important that the opportunity to benefit is not unreasonably restricted given the nature of the University's aims and the resources it has available. One such potential restriction is the ability to pay any fees charged by the University. In common with other similar organisations, the University does recover from students a contribution to the cost of their tuition, currently capped at the level set by government. In order to ensure that such fees do not unreasonably restrict access to the benefits of a university education, the government provides tuition loans to cover the upfront costs which are only repayable if students subsequently earn above a minimum level of income in future years. In addition, universities which charge students in this way must agree an Access and Participation Plan (APP) with the Office for Students. The University has put in place such an APP.

Demonstrating public benefit, however, extends far beyond dealing with the question of fees, and the University is particularly aware of the need to ensure that people from all backgrounds can participate in, and benefit from its activities. Not everyone has the same level of educational opportunity, support or information to enable them to secure university education and so the University has put in place a range of activities designed to widen participation to students who might not otherwise benefit. In addition, many scholarships are created from philanthropic donations raised by our Development Office, and these are targeted towards attracting talented students from areas of deprivation or from low household income backgrounds.

To that end the University has continued to maintain a team to encourage young people from disadvantaged areas to move on to higher education. The 10 champions, part of UEA's existing Widening Participation team, are based in colleges and sixth forms throughout Norfolk as part of the Government's £120 million National Collaborative Outreach Programme.

This national initiative targets wards throughout England where there is low progression to higher education. UEA is working in this region alongside Anglia Ruskin University, Norwich University of the Arts, the University of Cambridge and the University of Suffolk and in close partnership with the region's further education colleges to deliver a set of ambitious targets across East Anglia, with a £9 million budget share. The partnership, Network for East Anglian Collaborative Outreach (NEACO), will deliver tested approaches and develop innovative ways to meet specific challenges in the region.

The initiative will run until the end of 2020 (extended for two years from the original end date). At the end of this period there is anticipated to be some legacy funding to encourage continued collaborative working with the other Higher Education institutions. Nationally, the aim is to double the proportion of young people from disadvantaged backgrounds choosing to enter higher education by 2020, with particular focus on pupils from ethnic minorities and disadvantaged white males.

Public benefit statement (continued)

Examples of other widening participation initiatives include:

- Summer Schools – targeted at students from low participation neighbourhoods, less advantaged communities, low income households and other under-represented groups;

- Mentoring scheme – using current students to work with school pupils to help raise both aspirations and attainment;
- Challenge Badge for Guides and Scouts – to promote Higher Education to young people;
- Outreach activities (both in school and on campus) – targeted at schools with a high proportion of students from Widening Participation groups and providing information about university life and the cost of university.

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

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

As a result of the pandemic many of our activities have had to adapt to a world where meetings take place on Teams or via Zoom. However, we have worked hard to ensure that activity continues to take place and this is testament to the dedication of all of the University's staff and students.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of East Anglia ("the University") for the year ended 31 July 2020 which comprise the Group and University Balance Sheets, the Group and University Statements of Comprehensive Income and Expenditure, the Group and University Statements of Changes in Reserves, the Group Statement of Cash flow and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2020, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;

- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland,* and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and

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

Basis for opinion

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Council's' conclusions, we considered the inherent risks to the Group's business model, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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

Other information

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

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

Council responsibilities

As explained more fully in their statement set out on page 9, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;

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

Matters on which we are required to report by exception

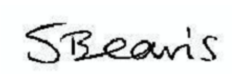
We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 9 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 1 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council in accordance with Section 5 of the Articles, Charters, Statutes or Ordinances of the institution (*for pre-1992 institutions*). Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.



Stephanie Beavis
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Dragonfly House
2 Gilders Way
Norwich
NR3 1UB

17 December 2020

Consolidated and University Statement of Comprehensive Income and Expenditure for the year ended 31 July 2020

	Note	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Income					
Tuition fees and education contracts	1	**158,725**	**158,725**	158,351	158,351
Funding body grants	2	**39,066**	**39,066**	34,703	34,703
Research grants and contracts	3	**50,533**	**32,011**	55,904	35,673
Other income	4	**48,135**	**44,537**	54,340	49,504
Investment income	5	**741**	**429**	1,188	791
Donations and endowments	6	**6,684**	**6,544**	3,148	3,035
Total income		**303,884**	**281,312**	307,634	282,057
Expenditure					
Staff costs - excluding movement on USS provision	7	**188,408**	**175,107**	175,186	163,839
Staff costs - movement on USS provision[b]	7	**(35,550)**	**(35,550)**	56,390	56,390
Other operating expenses		**94,697**	**87,418**	102,135	91,883
Depreciation and amortisation	12	**26,703**	**25,527**	21,859	21,316
Interest payable and other finance costs	8	**6,802**	**6,802**	5,091	5,091
Total expenditure	9	**281,060**	**259,304**	360,661	338,519
Surplus/(expense)before other gains/losses and share of operating surplus/deficit of joint ventures		**22,824**	**22,008**	(53,027)	(56,462)
(Loss)/gain on investments		**(272)**	**(270)**	413	199
Share of operating (loss)/profit in joint ventures	15	**(89)**	**-**	1,033	-
Surplus/(expense) before taxation		**22,463**	**21,738**	(51,581)	(56,263)
Taxation	10	**-**	**-**	-	-
Surplus/(expense)for the year[a]		**22,463**	**21,738**	(51,581)	(56,263)
Actuarial loss in respect of pension schemes	20	**(5,903)**	**(5,903)**	(11,383)	(11,383)
Change in fair value of hedging financial instruments	20	**-**	**-**	1,902	1,902
Total comprehensive surplus/(expense) for the year		**16,560**	**15,835**	(61,062)	(65,744)
Represented by:					
Endowment comprehensive income for the year		**1,478**	**1,478**	767	767
Restricted comprehensive income for the year		**157**	**2,145**	260	198
Unrestricted comprehensive income/(expense) for the year		**14,925**	**12,212**	(62,089)	(66,709)
		16,560	**15,835**	(61,062)	(65,744)
Surplus/(expense) for the year attributable to:					
Non controlling interest		**309**	**-**	44	-
University		**22,154**	**21,738**	(51,625)	(56,263)
Total comprehensive surplus/(expense) for the year attributable to:					
Non controlling interest		**309**	**-**	44	-
University		**16,251**	**15,835**	(61,106)	(65,744)

All items of income and expenditure relate to continuing activities.

The Statement of Principle Accounting Policies and Notes on pages 25 to 54 are an integral part of these financial statements.

Isolated effect of USS Pension Provision Movement				
[a]Surplus/(expense) for the year	**22,463**	**21,738**	(51,581)	(56,263)
[b]Movement on the USS provision	**(35,550)**	**(35,550)**	56,390	56,390
(Expense)/surplus for the year with USS provision movement removed	**(13,087)**	**(13,812)**	4,809	127

Consolidated and University Statements of Changes in Reserves for the year ended 31 July 2020

	Income and expenditure reserves			Total excluding	Non	
				Non controlling	controlling	Total
	Endowment	Restricted	Unrestricted	interest	interest	reserves
	£000	£000	£000	£000	£000	£000
Consolidated						
Balance at 1 August 2018	**8,241**	**19,983**	**378,187**	**406,411**	**(231)**	**406,180**
(Expense)/surplus from the income and expenditure statement	767	1,237	(53,629)	(51,625)	44	(51,581)
Other comprehensive expense (note 20)	-	-	(9,481)	(9,481)	-	(9,481)
Release of restricted funds spent in the year	-	(977)	977	-	-	-
Total comprehensive surplus/(expense) for the year	767	260	(62,133)	(61,106)	44	(61,062)
Balance at 1 August 2019 and 31 July 2019	**9,008**	**20,243**	**316,054**	**345,305**	**(187)**	**345,118**
Surplus from the income and expenditure statement	1,478	1,167	19,509	22,154	309	22,463
Other comprehensive expense (note 20)	-	-	(5,903)	(5,903)	-	(5,903)
Release of restricted funds spent in the year	-	(1,010)	1,010	-	-	-
Total comprehensive surplus for the year	1,478	157	14,616	16,251	309	16,560
Balance at 31 July 2020	**10,486**	**20,400**	**330,670**	**361,556**	**122**	**361,678**
University						
Balance at 1 August 2018	**8,241**	**14,182**	**338,263**	**360,686**	**-**	**360,686**
(Expense)/surplus from the income and expenditure statement	767	1,175	(58,205)	(56,263)	-	(56,263)
Other comprehensive expense (note 20)	-	-	(9,481)	(9,481)	-	(9,481)
Release of restricted funds spent in the year	-	(977)	977	-	-	-
Total comprehensive surplus/(expense) for the year	767	198	(66,709)	(65,744)	-	(65,744)
Balance at 1 August 2019 and 31 July 2019	**9,008**	**14,380**	**271,554**	**294,942**	**-**	**294,942**
						-
Surplus from the income and expenditure statement	1,478	3,155	17,105	21,738	-	21,738
Other comprehensive expense (note 20)	-	-	(5,903)	(5,903)	-	(5,903)
Release of restricted funds spent in the year	-	(1,010)	1,010	-	-	-
Total comprehensive surplus for the year	1,478	2,145	12,212	15,835	-	15,835
Balance at 31 July 2020	**10,486**	**16,525**	**283,766**	**310,777**	**-**	**310,777**

The Statement of Principle Accounting Policies and Notes on pages 25 to 54 are an integral part of these financial statements.

Consolidated and University Statement of Financial Position as at 31 July 2020

	Note	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Non -current assets					
Intangible assets	11	**-**	**-**	45	-
Fixed assets	12	**538,705**	**518,836**	532,598	514,959
Heritage assets	12/13	**15,362**	**15,362**	13,477	13,477
Investments	14	**14,849**	**17,825**	15,847	19,010
Investment in joint venture	15	**38**	**-**	554	-
		568,954	**552,023**	562,521	547,446
Current assets					
Stock		**480**	**469**	471	431
Trade and other receivables	16	**35,594**	**27,290**	31,332	22,205
Investments	17	**11,500**	**-**	33,000	22,000
Cash and cash equivalents	23	**56,259**	**42,015**	52,335	38,254
		103,833	**69,774**	117,138	82,890
Less - Creditors: amounts falling due within one year	18	**(87,584)**	**(87,612)**	(81,112)	(82,183)
Net current assets		**16,249**	**(17,838)**	36,026	707
Total assets less current liabilities		**585,203**	**534,185**	598,547	548,153
Creditors: amounts falling due after more than one year	19	**(143,334)**	**(143,244)**	(145,383)	(145,293)
Provisions					
Pension provisions	20	**(80,164)**	**(80,164)**	(107,918)	(107,918)
Other provisions	20	**(27)**	**-**	(128)	-
Total net assets		**361,678**	**310,777**	345,118	294,942
Restricted Reserves					
Income and expenditure reserve - endowment reserve	21	**10,486**	**10,486**	9,008	9,008
Income and expenditure reserve - restricted reserve	22	**20,400**	**16,525**	20,243	14,380
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		**330,670**	**283,766**	316,054	271,554
		361,556	**310,777**	345,305	294,942
Non-controlling interest		**122**	**-**	(187)	-
Total Reserves		**361,678**	**310,777**	345,118	294,942

The Statement of Principle Accounting Policies and Notes on pages 25 to 54 are an integral part of these financial statements.

The Financial Statements on pages 21 to 54 were approved by the Council on 14 December 2020 and were signed on its behalf on that date by:

David Richardson
Vice-Chancellor

Laura McGillivray
Chair of Council

Ian Callaghan
Chief Resource Officer
and University Secretary

Consolidated Cash Flow Statement for the year ended 31 July 2020

	Note	2020 £000	2019 £000
Cash flow from operating activities			
Surplus/(expense) for the year		**22,463**	(51,581)
Adjustment for non-cash items			
Depreciation and amortisation	12	**26,703**	21,859
Release of provision on fixed asset investments	14	**(300)**	(89)
Gain on investments	14	**272**	(413)
(Increase) in stocks		**(9)**	(18)
(Increase)/decrease in debtors	16	**(4,419)**	16,289
Increase in creditors	18	**6,784**	582
(Decrease)/increase in pension provision	20	**(33,656)**	57,448
Utilisation of other provisions	20	**(101)**	(7)
Share of operating surplus in joint venture	15	**89**	(1,033)
Adjustment for investing or financing activities			
Investment income	5	**(741)**	(1,188)
Interest payable	8	**5,037**	4,252
Endowment income	6	**(3,247)**	(1,634)
Donation of artwork		**(1,885)**	(29)
Loss on the disposal of fixed assets		**-**	206
Capital grant income	2/3/4	**(1,206)**	(4,963)
Net cash inflow from operating activities		**15,784**	39,681
Cash flows from investing activites			
Dividend received from joint venture		**427**	1,125
Capital grant receipts		**1,523**	5,020
Investment income		**898**	1,246
Payments to acquire fixed assets		**(33,374)**	(53,356)
Sale of (new) non-current asset investments		**1,026**	(67)
Withdrawal of deposits		**21,500**	43,000
		(8,000)	(3,032)
Cash flows from financing activities			
Interest paid		**(5,036)**	(4,251)
Interest element of finance lease		**(1)**	(1)
Endowment cash received		**3,247**	1,634
New private placement loan		**-**	75,000
Repayments of amounts borrowed		**(2,055)**	(73,970)
Repayment of SWAP on refinancing		**-**	(23,344)
Capital element of finance lease payments		**(15)**	(14)
		(3,860)	(24,946)
Increase in cash and cash equivalents in the year		**3,924**	11,703
Cash and cash equivalents at beginning of year		**52,335**	40,632
Cash and cash equivalents at end of year		**56,259**	**52,335**

The Statement of Pinciple Accounting Policies and Notes on pages 22 to 50 are an integral part of these financial statements.

Statement of Principle Accounting policies

1. General information

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

2. Statement of compliance

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

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

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

3. Basis of preparation

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

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

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

Going concern

The Group activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review. The Business Review also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

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

The Council have prepared cash flow forecasts for a period of 13 months from the date of approval of these financial statements. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the Group will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The impact of the pandemic is heavily weighted against the recruitment of students and the relationship this then shares with other commercial operations including student accommodation, catering and sports park all dependent on student flows. The University took swift action to develop a number of scenarios to model the impact of COVID-19 on the finances for 2020/21 (and beyond) as detailed, with each scenario assumed increased attrition assumptions throughout at 10% Home and 20% International.

Statement of Principle Accounting Policies (continued)

- Scenario 1 - 20% reduction on target and returners
- Scenario 2 - 10% reduction on UG Home, 50% UG International, 50% ALL PGT
- Scenario 3 - Home 3-year average, 50% UG International, 50% ALL PGT
- Scenario 4 - 10% Home reduction, 75% UG International, 75% ALL PGT

In year forecast income shortfall was set to the worst case scenario at £35m (scenario 4) split as £25m new starters, £6m returning students and £4m for commercial activities. Further consideration was given to January 2021 starts. Considering the flow through of students and, assuming at worst case we were not able to recover any of the loss in the subsequent years, an overall loss of £65m in revenue to the long term plan was forecast. This provided the framework and underpinned the key mitigations required in order to protect the financial sustainability of the University, compliance with banking covenants and satisfy the going concern concept.

The suite of mitigations identified amounted to £23.7m and it is important to note that these were carefully considered to avoid compulsory redundancies wherever possible. The current levels achieved of £21.2m have been achieved through

- Minimising non-pay costs as far as possible
- Reduce non-contractual spend on staff (temporary staff, overtime, additional hours, replacement of leavers, recruitment freeze)
- No national pay award agreed for 2020/21 as a result of the pandemic

The remaining mitigations could be mobilised if required in order to materialise a further £4.8m, alongside further mitigations of restricted budget release to reduce non-pay spend as required.

In all of the scenarios tested through the long term plan, positive cash balances were maintained and covenants satisfied, with minimal additional non-pay mitigations required.

In real terms the University has fell approximately 9% short of entry targets which is a significant achievement in a highly competitive market at a time of a worldwide pandemic and the lowest point in a demographic dip in the number of eighteen-year-old students. Students returning for second, third and fourth years have returned with no material increase in attrition rates, giving rise to a financial shortfall of £10m versus the worst case scenario £31m. Research and grant income remains stable for the period.

Therefore the measured financial constraint of the University taken at the start of the pandemic is reported in the long term plan, demonstrating financial sustainability through maintaining positive cash balances and covenant compliance throughout 2020/21 and future years. There remains further mitigations which in the event of a downturn in income would be compensated through a number of pay and non-pay actions achieved through the immediate withholding of non-essential spend and activity through the phased release of budgets to safeguard cash balances and banking covenants (current headroom £8.7m before breach).

Further stress testing has been undertaken to assess the impacts in the downturn of income in particular commercial activities. A number of sensitivities have been undertaken against the plan ranging from 6 week lockdown to a repeat of the March 2020 lockdown. Increased attrition is already included for home and international cohorts of 10% home and 20% international so maintained in the current forecast headroom. The resultant outcome is that covenants can be maintained along with positive cash balances for the period.

Due to the financial sustainability demonstrated through the long term plan and stress testing undertaken through the period, the University has not arranged additional support from current bankers, loan providers or through a Government backed loan scheme. Covenants remain forecast as satisfied so no requirement to renegotiate or obtain a waiver. Existing cash reserves and 10 year revolving credit facility are sufficient. Forecast drawdowns for 2020/21of £33m are c£20m less than previous predictions and on par, are to support essential capital investment works.

The budget remains under continual review by the Director of Finance and Chief Resource Officer, who with the support of Council are able to make decisions as appropriate to safeguard the finances of the University.

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

Statement of Principle Accounting Policies (continued)

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

5. Basis of consolidation
The consolidated financial statements incorporate the University and all of its subsidiary undertakings and joint ventures for the year ended 31 July 2019. Intra-group revenue and profits between the University and its subsidiaries are eliminated fully on consolidation. Consistent accounting policies are applied across the group.

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

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

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

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

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

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

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

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

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

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

Donations and endowments
Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the Group is entitled to the funds. Income

is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

Capital Grants

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

7. Accounting for retirement benefits

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

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

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

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the Group's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the Group.

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

The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.
The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the University's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements.

Statement of Principle Accounting Policies (continued)

The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 26 to the accounts.

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

Defined Contribution Plan
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

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

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

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

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

11. Foreign currency
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

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

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

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

Land and buildings
Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the Group.

Statement of Principle Accounting Policies (continued)

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

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

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

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

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

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

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

14. Heritage assets
Heritage assets held by the University represent art collections. Art collections donated to the University are stated at estimated valuation at the date of receipt (their "deemed cost") and purchased additions are capitalised at cost. These assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

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

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

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

16. Stock
Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

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

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

18. Provisions, contingent liabilities and contingent assets
Provisions are recognised in the financial statements when:

(a) the Group has a present obligation (legal or constructive) as a result of a past event;
(b) It is probable that an outflow of economic benefits will be required as a result of a past event; and
(c) A reliable estimate can be made of the amount of the obligation.

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

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

Statement of Principle Accounting Policies (continued)

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

19. Accounting for jointly controlled entities
The University accounts for its share of joint ventures using the equity method.

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

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

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

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, It is therefore a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

21. Financial Instruments
The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

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

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

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

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

Statement of Principle Accounting Policies (continued)

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

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

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

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

22. Agency Income
Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk.

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

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

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

25. Accounting estimates and judgements
USS deficit recovery plan provision
FRS102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer with fund a deficit results in the recognition of a liability for the contribution payable that arise from the agreement (the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss in accordance with section 28 of FRS102. The members of Council are satisfied that the discounted fair value of the contractual contribution under the funding plan in existence at the date of approving the financial statements.

In addition, because the USS scheme is in deficit and a funding plan has been agreed, section 28 of FRS102 requires individual employers to recognise a liability for the contributions payable that arise from the agreement to fund the scheme (to the extent that they relate to the deficit) and the resulting expense in profit and loss. A deficit modeller was utilised to product the provision estimate with a discount rate at 31 July 2020 of 0.73%.

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

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

Notes to the Financial Statements

1	Tuition fees and education contracts	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
	Full-time students	**109,277**	**109,277**	101,624	101,624
	Full-time students charged overseas fees	**36,454**	**36,454**	38,972	38,972
	Part-time fees	**2,375**	**2,375**	2,289	2,289
	Short course fees	**816**	**816**	1,271	1,271
	Other teaching contracts	**6,640**	**6,640**	10,919	10,919
	Research training support grants	**3,163**	**3,163**	3,276	3,276
		158,725	**158,725**	158,351	158,351

2	Funding body grants	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
	Recurrent grant				
	Office for Students ("OfS") - teaching	**11,960**	**11,960**	11,336	11,336
	UK Research and Innovation ("UKRI") - research	**18,319**	**18,319**	16,023	16,023
	Specific grants				
	Higher Education Innovation Fund ("UKRI") - other	**4,694**	**4,694**	3,311	3,311
	UK Research and Innovation ("UKRI") - special	**616**	**616**	408	408
	Office for Students ("OfS") - special	**1,030**	**1,030**	960	960
	Office for Students ("OfS") - capital grants	**745**	**745**	1,504	1,504
	UK Research and Innovation ("UKRI") - capital grants	**1,702**	**1,702**	1,161	1,161
		39,066	**39,066**	34,703	34,703

3	Research grants and contracts	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
	Research councils	**24,866**	**14,813**	26,891	14,862
	Research charities	**11,525**	**4,366**	12,419	6,138
	Government (UK and overseas)	**11,030**	**10,052**	12,703	10,990
	Industry and commerce	**1,295**	**994**	1,535	1,356
	Other	**1,817**	**1,786**	2,356	2,327
		50,533	**32,011**	55,904	35,673

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

	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Grant income from the OfS	**13,735**	**13,735**	13,800	13,800
Grant income from other bodies	**25,331**	**25,331**	20,903	20,903
Fee income for research awards (exclusive of VAT)	**4,618**	**4,618**	4,133	4,133
Fee income from non-qualifying courses (exclusive of VAT)	**3,979**	**3,979**	4,547	4,547
Fee income for taught awards (exclusive of VAT)	**150,128**	**150,128**	149,671	149,671
	197,791	**197,791**	193,054	193,054

Notes to the Financial Statements (continued)

4 Other income	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Residences, catering and conferences	**20,770**	**20,770**	28,328	28,328
Other services rendered	**5,080**	**2,235**	4,718	2,062
Other capital grants	**924**	**885**	431	318
Other income	**21,361**	**20,647**	20,863	18,796
	48,135	**44,537**	**54,340**	49,504

5 Investment income	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Investment income on endowments (Note 21)	**157**	**157**	171	171
Other investment income	**584**	**272**	1017	620
	741	**429**	1,188	791

6 Donations and endowments	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
New endowments (Note 21)	**3,247**	**3,247**	1,634	1,634
Donations with restrictions (Note 22)	**3,155**	**3,155**	1,206	1,175
Unrestricted donations	**282**	**142**	308	226
	6,684	**6,544**	3,148	3,035

7 Staff costs	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Wages and salaries	**146,116**	**135,102**	137,302	127,866
Social security costs	**12,973**	**12,010**	12,509	11,660
Apprenticeship levy	**622**	**591**	624	599
Movement on USS provision	**(35,550)**	**(35,550)**	56,390	56,390
Other pension costs (Note 26)	**28,697**	**27,404**	24,751	23,714
	152,858	**139,557**	231,576	220,229

Emoluments of the Vice-Chancellor:	2020 £000	2019 £000
Salary	**270**	265
Bonus	**-**	-
Benefits - accomodation related	**8**	10
Loans	**-**	-
Relocation costs	**-**	-
Salary and benefits	**278**	275
Pension contribution	**56**	49
	334	324

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Emoluments of the Vice-Chancellor (continued)

The Vice-Chancellor was in post full-time for the whole of the 2019-20 financial year. His remuneration and that of other members of the Executive Team is considered annually by the Senior Officers' Remuneration Committee (SORC), chaired by the Deputy Chair of Council. In respect of salaries for 2020-21 and beyond this also included a review of salaries for the Directors of Professional Services.

SORC met on 25 November 2019 to review the salaries of the Vice-Chancellor and the Executive Team for 2019-20. It noted the considerable success of the University under the leadership of the Vice-Chancellor in pursuing the objectives set out in the Vision and the Strategic Plan. The outcomes of the Vice-Chancellor's appraisal conducted by the Chair of Council were carefully considered and these confirmed continued strong performance in meeting his personal and Universityal priorities and in his leadership of the Executive Team. In arriving at an appropriate remuneration package for the Vice-Chancellor for 2019/20 SORC also took into account comparative data provided by the Committee of University Chairs and by the Universities and College Employers Association in respect of Universitys of a similar turnover and data from comparator Universitys operating in a similar environment to UEA (campus based, dual-intensive Universitys). The Council had carefully reviewed the University's long-term financial plan which requires a growth in student numbers to deliver the long-term capital requirements. These are driven by a need for significant investment in the University's original buildings to ensure they can deliver high quality staff and student facilities in the future. The success in achieving strong recruitment during the demographic dip was recognised by SORC as was the maintained position in world reputation rankings and the continued performance in domestic rankings.

The Vice-Chancellor is a non-executive member of the board of the Norfolk and Norwich University Hospital NHS Foundation Trust. He received £13,000 in 2020 (2019: £13,000) in remuneration for this role. He is also a member of the boards of Anglia Innovation Partnership LLP and Aurora Universities Network (of which he is Chair) which are non-remunerated roles.

The Vice-Chancellor’s remuneration package includes the use of a property as a residence. The property was acquired by the University in 1963 but it is subject to a restrictive covenant which requires the University to offer to return the property to the original vendor, or his heirs, at the original consideration in the event that the Vice-Chancellor ceases to be resident at the property. The Vice-Chancellor is therefore contractually required by the University to reside at the property in order to safeguard the University’s ownership and there is no loss to the University of any benefit which might otherwise accrue from the use of the property for other purposes. The taxable benefit arising from the Vice-Chancellor's occupation of the property is included in the total remuneration disclosed. Notwithstanding the comments above which confirm there is no opportunity for the University to receive a rental income for this property, or to use it for an alternative purpose, a rental valuation of the Vice-Chancellor's residence has been carried out. The rental value has been identified as £33,000 per annum.

The Vice-Chancellor’s basic salary is 9.6 times (2019: 12.0 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. Excluding student workers who could be paid through a third party the Vice-Chancellor's basic salary is 8.3 times (2019: 8.1 times) the median total remuneration for the remaining staff.

The Vice-Chancellor’s total remuneration is 10.3 times (2019: 12.7 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff. Excluding student workers who could be paid through a third party the Vice-Chancellor's total salary is 9.5 times (2019: 9.9 times) the median total remuneration for the remaining staff.

Notes to the Financial Statements (continued)

7 Staff costs (continued)

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

	2020 Consolidated	2020 University	2019 Consolidated	2019 University
	Number of staff		Number of staff	
£100,000 - £104,999	**11**	**10**	12	11
£105,000 - £109,999	**4**	**4**	6	5
£110,000 - £114,999	**10**	**8**	14	10
£115,000 - £119,999	**8**	**6**	4	3
£120,000 - £124,999	**5**	**4**	3	3
£125,000 - £129,999	**7**	**6**	3	3
£130,000 - £134,999	**-**	**0**	3	2
£135,000 - £139,999	**-**	**0**	2	2
£140,000 - £144,999	**7**	**5**	1	1
£145,000 - £149,999	**2**	**2**	2	2
£150,000 - £154,999	**1**	**1**	1	1
£155,000 - £159,999	**-**	**0**	1	1
£165,000 - £169,999	**2**	**2**	1	1
£175,000 - £179,999	**1**	**-**	1	-
£180,000 - £184,999	**-**	**-**	2	-
£195,000 - £199,999	**2**	**-**	-	-
£250,000 - £254,999	**1**	**-**	1	-
	61	**48**	57	45

Average staff numbers by category:

	2020 Consolidated	2020 University	2019 Consolidated	2019 University
	Number of staff		Number of staff	
Academic	**1,212**	**1212**	1,154	1,154
Associate tutors	**723**	**723**	643	643
Research and analogous	**565**	**369**	488	308
Secretarial and clerical	**900**	**891**	840	830
Technical	**226**	**194**	202	167
Admin, senior library and computing	**589**	**569**	531	514
Others	**552**	**550**	541	540
	4,767	**4,508**	4,399	4,156

Key management personnel

Key management personnel are those nine individuals having authority and responsibility for planning, directing and controlling the activities of the University. Compensation includes salary and benefits and the prior year has been restated to include employers pension contributions.

	2020 £000	2019 £000
Key management personnel compensation	**1,631**	1,575

Severance payments

During the year the Group paid compensation for loss of office of £2,964,000 (2019: £537,000) to 120 employees (2019: 88 employees). In January 2020 the University opened up a voluntary severance scheme as part of a planned efficiency review.

Council Members

No Independent Member of Council has received any remuneration or waived payments from the University during the year (2019: £nil). Total expenses paid to Independent Members of Council acting in that role during the year were £1,000 (2019: £2,000).

Notes to the Financial Statements (continued)

8 Interest payable and other finance costs	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Bank interest	**5,036**	**5,036**	4,251	4,251
Finance lease interest	**1**	**1**	1	1
Net interest charge on pension liability (Note 26)	**1,765**	**1,765**	839	839
	6,802	**6,802**	5,091	5,091

9 Analysis of total expenditure by activity	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Academic and related expenditure	**139,672**	**140,008**	133,876	134,367
Administration and central services	**67,707**	**62,653**	63,823	59,100
Premises	**39,328**	**37,440**	33,133	32,456
Residences, catering and conferences	**23,135**	**23,135**	23,583	23,582
Research grants and contracts	**40,064**	**22,741**	41,651	26,014
Other expenses *	**(28,846)**	**(26,673)**	64,595	63,000
	281,060	**259,304**	360,661	338,519

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

Other operating expenses include:				
External auditors' remuneration in respect of audit services	**172**	**138**	125	90
External auditors' remuneration in respect of non-audit services	**145**	**143**	157	150
Operating lease rentals:				
Land and buildings	**283**	**283**	281	281
Other	**207**	**207**	209	209
Impairment of trade receivables	**737**	**736**	147	146

Access and Participation:	
Access Investment (i)	**2,232**
Financial Support (ii)	**4,176**
Disability (iii)	**1,838**
Research and Evaluation (iv)	**598**
	8,844

Staff costs from the above are already included in the Finanical Stataements (Note 7):

(i)	**1,218**
(ii)	**126**
(iii)	**1,722**
(iv)	**372**

The impact of Covid-19 caused some underspend against UEA's Access and Participation Plan 2019/20 APP countable spending commitments, including due to the impact on holding large scale events and recruitment to posts.
https://www.uea.ac.uk/about/university-information/widening-participation

Access Investment - Calculation of this spend includes salaries, staff accommodation costs and project spend for UEA's access specific activity to support under represented student groups into Higher Education including the majority of costs relating to UEA's Outreach team. UEA committed to a spend of £2,575,000 in its APP 2019/20 the vast majority of which was APP countable spend. There has been a underspend of 13% equating to a cash spend deficit of -£345,000 due in the main to the impact of Covid 19. National lockdown required UEA to cancel school visits, large scale face to face outreach events and delay the start of a strategic partnership with Into University. UEA did, however, successfully move much of its outreach activity into asynchronous online content to mitigate as far as possible the impact on meeting our ambitious access targets. We aim to implement all delayed activity in 2020/21 if possible. Additional, underspend relates to the separated reporting of spend on Research and Evaluation relating to Access projects which was embedded in the Access spend commitment in our APP 2019/20.

Notes to the Financial Statements (continued)

9 Analysis of total expenditure by activity (continued)

Access and Participation (continued)

Financial Support - Calculation of this spend includes direct and administrative costs of UEA's bursary scheme and hardship funding both for UG Home students. UEA committed to investment in Financial Support of £4,388,000 in its APP 2019/20. There has been an underspend of 5% equating to a cash spend deficit of £212,000. This was driven by a lower than predicted spend on bursaries (Commitment APP 2019/20 = £4,250,000 v Actual Spend = £3,935,000). This is due to a lower number of students than predicted in 2019/20; the prediction included in our APP 2019/20 was based on a predication of student intake and retention set in November 2017 and changes in student profile and behaviour since have seen student numbers lower than predicted. All students meeting the eligibility criteria received a bursary from UEA as outlined in our APP 2019/20 and bursary terms and conditions. UEA also invested more heavily than predicted in hardship funds reflecting student need due to financial impact of Covid 19 and the demands of remote teaching (Commitment APP 2019/20 = £138,000 v Actual Spend = £241,000).

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

Research and Evaluation - Calculation of this spend includes salary, staff accommodation, training and software costs and project costs to implement UEA's Access and Participation Evidence and Evaluation strategy. Note that the Office for Students' did not require Universitys to commit to specific spend levels on Research and Evaluation in their APP 2019/20. Planned spend in this area was, therefore, embedded in commitments to spend on Access, Success and Progression. As required this spend has been reported separately here contributing to the apparent underspend on Access (for example, 10% of salaries for Outreach practioners at UEA have been reported was Research and Evaluation spend to reflect the work undertaken collaboratively with Widening Participation Evidence and Evaluation Team members to embed evaluation into all Outreach projects and carry out reflective practice to drive continual improvement in the impact of our Outreach work).

10 Taxation

The tax assessed for the year differs from the standard rate of corporation tax in the UK for the year of 19.0% (2019: 19.0%). The differences are explained below:

	2020 Consolidated £000	2019 Consolidated £000
(Deficit)/surplus before taxation	**22,463**	(51,581)
UK corporation tax at 19.0% (2019: 19.0%)	**4,268**	(9,800)
Effects of :		
Surpluses not subject to corporation tax	**(4,268)**	9,800
	-	-

11 Intangible assets

Software	**Consolidated £000**
At 1 August 2019	**45**
Amortisation charge for the year	**(45)**
At 31 July 2020	**-**

Notes to the Financial Statements (continued)

12 Fixed assets

Consolidated	Freehold land and buildings £000	Assets in the course of construction (L&B) £000	Fixtures, Fittings and Equipment £000	Assets in the course of construction (FF&E) £000	Heritage assets £000	Total £000
Cost or valuation						
At 1 August 2019	577,960	34,726	64,059	3,003	13,477	693,225
Additions at cost	13,869	5,507	12,357	1,032	1,885	34,650
Transfers	32,015	(32,015)	2,482	(2,482)	-	-
Disposals	-	-	(4,936)	-	-	(4,936)
At 31 July 2020	**623,844**	**8,218**	**73,962**	**1,553**	**15,362**	**722,939**
Consisting of:						
Valuation as at 31 July 2014	416,821	-	-	-	-	416,821
Cost	207,023	8,218	73,962	1,553	15,362	306,118
At 31 July 2020	**623,844**	**8,218**	**73,962**	**1,553**	**15,362**	**722,939**
Accumulated depreciation						
At 1 August 2019	94,771	-	52,379	-	-	147,150
Charge for the year	18,074	-	8,584	-	-	26,658
Eliminated on disposals	-	-	(4,936)	-	-	(4,936)
At 31 July 2020	**112,845**	**-**	**56,027**	**-**	**-**	**168,872**
Net book value						
At 31 July 2020	**510,999**	**8,218**	**17,935**	**1,553**	**15,362**	**554,067**
At 31 July 2019	483,189	34,726	11,680	3,003	13,477	546,075

University	Freehold land and buildings £000	Assets in the course of construction (L&B) £000	Fixtures, Fittings and Equipment £000	Assets in the course of construction (FF&E) £000 `	Heritage assets restated £000	Total £000
Cost or valuation						
At 1 August 2019	563,395	34,726	46,392	1,618	13,477	659,608
Additions at cost	12,017	5,507	10,822	1,058	1,885	31,289
Transfers	32,015	(32,015)	1,099	(1,099)	-	-
Disposals	-	-	(4,607)		-	(4,607)
At 31 July 2020	**607,427**	**8,218**	**53,706**	**1,577**	**15,362**	**686,290**
Consisting of:						
Valuation as at 31 July 2014	416,821	-	-	-	-	416,821
Cost	190,606	8,218	53,706	1,577	15,362	269,469
At 31 July 2020	**607,427**	**8,218**	**53,706**	**1,577**	**15,362**	**686,290**
Accumulated depreciation						
At 1 August 2019	94,109	-	37,063	-	-	131,172
Charge for the year	17,843	-	7,684	-	-	25,527
Eliminated on disposals	-	-	(4,607)	-	-	(4,607)
At 31 July 2020	**111,952**	**-**	**40,140**	**-**	**-**	**152,092**
Net book value						
At 31 July 2020	**495,475**	**8,218**	**13,566**	**1,577**	**15,362**	**534,198**
At 31 July 2019	469,286	34,726	9,329	1,618	13,477	528,436

Notes to the Financial Statements (continued)

12 Fixed assets (continued)

At 31 July 2020, freehold land and buildings included £53.1m (2019 - £53.1m) in respect of freehold land which is not depreciated.

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

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

	Consolidated and University	
	2020	2019
	£000	£000
Cost	**1,886**	1,886
Accumulated depreciation	**(1,628)**	(1,559)
Charge for the year	**(68)**	(69)
Net book value	**190**	258

Consolidated and University

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

Freehold land & buildings includes the SportsPark,a building funded in part by grants of £14,559,000 from the Sports Lottery Fund. As a condition of grant the operation of the building is regulated by a Community Use Agreement expiring in August 2020.

13 Heritage assets

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

The University cannot sell or otherwise dispose of its art collections.

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

	2020	**2019**	**2018**	**2017**	**2016**
	£000	**£000**	**£000**	**£000**	**£000**
Acquisitions by donation	**1,885**	**29**	**20**	**1,220**	**25**

14 Non-Current Investments

	Subsidiary investment in spinouts	**Other fixed asset investments**	**Total**
Consolidated	**£000**	**£000**	**£000**
At 1 August 2019	753	15,094	15,847
Additions	643	404	1,047
Disposals		(2,073)	(2,073)
Additional impairments made	-	300	300
Increase in value		(272)	(272)
At 31 July 2020	**1,396**	**13,453**	**14,849**

Notes to the Financial Statements (continued)

14 Non-Current Investments (continued)

University	Subsidiary companies £000	Subsidiary investment in spinouts £000	Other fixed asset investments £000	Total £000
At 1 August 2019	4,930	1,274	12,806	19,010
Additions	-	-	-	-
Disposals/dissolved	-	-	(915)	(915)
Additional provisions made	-	-	-	-
Increase in value	-	-	(270)	(270)
At 31 July 2020	**4,930**	**1,274**	**11,621**	**17,825**

Other investments comprise :	Consolidated £000	University £000
CVCP Properties PLC	35	35
Plant Biosciences Limited	1,565	
Norwich Reseach Park LLP	833	833
Investments held for the Low Carbon Innovation Fund	6,851	6,851
Investments held for Endowment Funds	3,902	3,902
Programme related investments	267	-
	13,453	11,621

The following companies were 100% owned or controlled subsidiary undertakings at 31 July 2020:

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

Notes to the Financial Statements (continued)

14 Non-Current Investments (continued)

The following company was 67% owned at 31 July 2020:

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

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

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

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

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

15 Investments in joint ventures

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

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

	Year ended 31 July 2020		Year ended 31 July 2019	
	£000	**£000**	£000	£000
Income and expenditure account				
Income		7,366		8,832
(Expense)/surplus before tax		(89)		1,033
Balance sheet				
Fixed assets		613		620
Current assets	4,220		6,171	
Creditors: amounts due within one year	(4,776)		(6,237)	
		(556)		(66)
Provisions		(19)		-
Share of net assets		38		554

Notes to the Financial Statements (continued)

16 Trade and other receivables

	2020 Consolidated £000	**2020 University £000**	2019 Consolidated £000	2019 University £000
Amounts falling due in more than one year	**3,775**	-	5,075	-
Research grants receivable	**7,529**	**6,072**	7,662	6,473
Other trade receivables	**16,428**	**15,268**	12,436	10,693
Interest receivable	**-**	**-**	157	157
Prepayments and accrued income	**7,862**	**5,287**	6,002	4,368
Amounts due from subsidiary companies	**-**	**663**	-	514
	35,594	**27,290**	31,332	22,205

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

Quadrum Institute Biosciences has a loan agreement with QI Partners, repayable by 1 August 2022 with an interest charge payable of 3% p.a.

Trade debtors are stated after provisons for impairment of :	**1614**	**1571**	878	835

17 Current investments

	2020 Consolidated £000	**2020 University £000**	2019 Consolidated £000	2019 University £000
Short term deposits	**11,500**	**-**	33,000	22,000
	11,500	**-**	33,000	22,000

At 31 July for these fixed term deposits				
The weighted average interest rate :	**1.01%**	**-**	1.15%	1.11%
The remaining weighted average period for which the interest rate is fixed:	**3**	**-**	4	4

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

18 Creditors: amounts falling due within one year

	2020 Consolidated £000	**2020 University £000**	2019 Consolidated £000	2019 University £000
Bank loans	**1,960**	**1,960**	1,909	1,909
Office for Students (OfS) loan	**73**	**73**	145	145
Obligations under finance leases	**16**	**16**	15	15
Trade creditors	**8,354**	**7,192**	10,592	9,412
Capital creditors	**4,670**	**4,670**	5,279	5,279
Other taxation and social security	**4,328**	**4,116**	3,793	3,795
Accruals and deferred income	**68,183**	**57,546**	59,379	49,247
Amounts due to subsidiary companies	**-**	**12,039**	-	12,381
	87,584	**87,612**	81,112	82,183

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

Deferred income

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

	2020 Consolidated £000	**2020 University £000**	2019 Consolidated £000	2019 University £000
Donations and endowments	**786**	**786**	1,287	1,287
Research grants received on account	**21,338**	**16,019**	17,629	12,769
Grant income	**8,528**	**8,528**	9,744	9,744
	30,652	**25,333**	28,660	23,800

Notes to the Financial Statements (continued)

19 Creditors: amounts falling due after more than one year	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Bank loans	**35,286**	**35,196**	37,246	37,156
Private Placement loans	**108,000**	**108,000**	108,000	108,000
Office for Students (OfS) loan	**-**	**-**	73	73
Obligations under finance leases	**48**	**48**	64	64
	143,334	**143,244**	145,383	145,293

Bank, private placement and OfS loans are repayable as follows :	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Due within one year or less	**2,033**	**2,033**	2,054	2,054
Due between one and two years	**2,014**	**2,014**	2,033	2,033
Due between two and five years	**6,374**	**6,374**	6,206	6,206
Due in five years or more	**134,898**	**134,808**	137,081	136,990
	145,319	**145,229**	147,374	147,283

The net finance lease obligations are as follows :	2020 Consolidated £000	2020 University £000	2019 Consolidated £000	2019 University £000
Due within one year or less	**16**	**16**	15	15
Due between one and two years	**16**	**16**	16	16
Due between two and five years	**32**	**32**	48	48
Due in five years or more	**-**	**-**	-	-
	64	**64**	79	79

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

The details of the loans are as follows:

Lender	Amount £000	Term	Interest rate	Borrower
Private Placement loan	33,000	30 years	3.9%	University
Private Placement loan	75,000	30 years	3.0%	University
European Investment Bank	37,156	20 years	2.7%	University
Office for Students	73	-	-	University
HSBC	90	-	-	Iceni Seedcorn LLP
	145,319			

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

Notes to the Financial Statements (continued)

20 Provision for liabilities

	Consolidated				
	Obligation to fund deficit on USS pension £000	**UEASSS pension scheme provision £000**	**Total Pensions Provisions £000**	**Building de-contamination provision £000**	**Total Provisions £000**
At 1 August 2019	85,385	22,533	107,918	128	108,046
Utilised in the year	-	-	-	(66)	(66)
Movement in the year	(34,201)	6,447	(27,754)	(35)	(27,789)
At 31 July 2020	**51,184**	**28,980**	**80,164**	**27**	**80,191**

	University				
	Obligation to fund deficit on USS pension £000	**UEASSS pension scheme provision £000**	**Total Pensions Provisions £000**	**Building de-contamination provision £000**	**Total Provisions £000**
At 1 August 2019	85,385	22,533	107,918	-	107,918
Utilised in the year	-	-	-	-	-
Movement in the year	(34,201)	6,447	(27,754)	-	(27,754)
At 31 July 2020	**51,184**	**28,980**	**80,164**	**-**	**80,164**

USS deficit
The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in Note 26.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 26. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As a consequence the deficit provision for the University has decreased significantly from the prior year of which £33,644,000 is due to the change in the deficit contributions contractual commitment.

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

	2020
Discount rate	**0.73%**
Salary growth	**2.00%**

Sensitivity analysis
As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2020	Approximate impact £000
0.5% pa decrease in discount rate	1,241
0.5% pa increase in salary inflation over duration	1,224
0.5% pa increase in salary inflation year 1 only	256
0.5% increase in staff changes over duration	1,234
0.5% increase in staff changes year 1 only	256
1% increase in deficit contributions	8,088

Notes to the Financial Statements (continued)

20 Provision for liabilities (continued)

UEASSS provision

The University operates a defined benefits persion, University of East Anglia Staff Superannuation Scheme (UEASSS). The provision is the projected variance of future scheme liabilites to the current value of the scheme's assets (Note 26).

Building decontamination provision

Quadrum Institute Biosciences (QIB) has provided for the possible decomtamination costs which may be incurred from the building it previously occupied.

21 Endowment Reserves

	Consolidated and University				
	Restricted Permanent £000	**Unrestricted Permanent £000**	**Expendable £000**	**2020 Total £000**	2019 Total £000
Balance at 1 August 2019					
Capital	3,924	17	4,394	**8,335**	7,620
Accumulated income	460	2	211	**673**	621
	4,384	19	4,605	**9,008**	8,241
New endowments	13	-	3,234	**3,247**	1,634
Investment income	134	-	23	**157**	171
Expenditure	(69)	-	(1,587)	**(1,656)**	(1,237)
	65	-	(1,564)	**(1,499)**	(1,066)
Increase in market value of investments	(270)	(1)	1	**(270)**	199
Balance at 31 July 2020	**4,192**	**18**	**6,276**	**10,486**	9,008
Represented by					
Capital	3,657	15	6,101	**9,773**	8,335
Accumulated income	535	3	175	**713**	673
	4,192	**18**	**6,276**	**10,486**	9,008

	Consolidated and University				
	Restricted Permanent £000	**Unrestricted Permanent £000**	**Expendable £000**	**2020 Total £000**	2019 Total £000
Analysis by type of purpose					
Lectureships	99	-	2	**101**	107
Scholarships and bursaries	3,358	-	1,290	**4,648**	4639
Research support	-	-	475	**475**	416
Prize funds	685	18	98	**801**	848
Other	50	-	4,411	**4,461**	2998
	4,192	18	6,276	**10,486**	9,008

	2020	2019
Analysis by asset		
Investments	**3,902**	4,171
Cash and cash equivalents	**6,584**	4,837
	10,486	9,008

Notes to the Financial Statements (continued)

22 Restricted Reserves

Reserves with restrictions are as follows:

	Donations £000	2020 Total £000	2019 Total £000
Balances at 1 August 2019	20,243	**20,243**	19,983
New donations	3,155	**3,155**	1,237
Expenditure	(2,998)	**(2,998)**	(977)
Balances at 31 July 2020	20,400	**20,400**	20,243

	Donations £000	University 2020 Total £000	2019 Total £000
Balances at 1 August 2019	14,380	**14,380**	14,182
New donations	3,155	**3,155**	1,175
Expenditure	(1,010)	**(1,010)**	(977)
Balances at 31 July 2020	16,525	**16,525**	14,380

	2020	2019
Analysis of donations by type of purpose:		
Scholarships and bursaries	**765**	628
Research support	**1**	1
Prize funds	**92**	99
Capital	**15,340**	13,455
Other	**327**	197
	16,525	14,380

23 Consolidated cash and cash equivalents	£000
As at 1 August 2019	**52,335**
Cash flows	3,924
As at 31 July 2020	**56,259**

24 Consolidated reconciliation of net debt	£000
Net debt 1 August 2019	**95,117**
Movement in cash and cash equivalents	3,924
Other non-cash changes	(9,917)
Net debt 31 July 2020	**89,124**
Change in net debt	**(5,993)**

Notes to the Financial Statements (continued)

24 Consolidated reconciliation of net debt (continued)

Analysis of net debt:	**2020**	2019
	£000	£000
Cash and cash equivalents	**56,259**	**52,335**
Borrowings: amounts falling due within one year		
Unsecured loans	2,033	2,054
Obligations under finance leases	16	15
	2,049	**2,069**
Borrowings: amounts falling due after more than one year		
Unsecured loans	143,286	145,319
Obligations under finance lease	48	64
	143,334	**145,383**
Net debt	**89,124**	**95,117**

25 Capital commitments

At 31 July 2020 the Group had outstanding commitments for capital expenditure of £4,417,000 (2019: £9,303,000).

26 Pensions

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

Universities Superannuation Scheme

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

Because of the mutual nature of the scheme, the assets are not attributed to individual Universitys and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other Universitys' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 “Employee Benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated Statement of Comprehensive Income.

Universities Superannuation Scheme (continued)

The total cost charged to the Consolidated Statement of Comprehensive Income is £25,122,000 (2019: £20,292,000) including PensionChoice, but excluding the impact of the change in the deficit recovery plan, as shown in Note 20. This includes interest payable of £1,349,000 (2019: £596,000)

Deficit recovery contributions due within one year by the University are £2,293,000 (2019: £1,906,000).

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

Notes to the Financial Statements (continued)

26 Pensions (continued)

Universities Superannuation Scheme (continued)

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

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

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%
Price inflation (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	**2018 valuation** Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:	**2018 valuation**	2017 valuation
Males currently aged 65 (years)	**24.4**	24.6
Females currently aged 65 (years)	**25.9**	26.1
Males currently aged 45 (years)	**26.3**	26.6
Females currently aged 45 (years)	**27.7**	27.9

Notes to the Financial Statements (continued)

26 Pensions (continued)

Universities Superannuation Scheme (continued)

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	**0.73%**	1.58%
Pensionable salary growth	**2.00%**	2.00%

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

The reduction in the term of the deficit recovery plan has given rise to a substantial reduction in the deficit provision which has decreased from £85 million to £51 million as set out in note 20. £34 million of this decrease is attributable to the change in the deficit contributions contractual commitment. See also Staff costs note 7 in respect of significant one-off pension costs / gains.

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

University of East Anglia Staff Superannuation Scheme

The University of East Anglia operates a defined benefit scheme in the UK, which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service. Since 1 November 2007, the scheme has been closed to new members. Contributions to the scheme for the year beginning 1 August 2020 are expected to be 43.7% of pensionable salaries for those members who participate in the University's salary sacrifice arrangements and 35.7% of pensionable salaries for those who do not, plus additional annual contributions of £73,000 payable in equal monthly instalments to 31 May 2025.

Preliminary results of the full actuarial valuation of the Scheme as at 31 July 2018 have been updated to 31 July 2020 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	31 July 2020	31 July 2019
Discount rate	**1.30%**	2.00%
Inflation assumption (CPI)	**2.10%**	2.40%
Rate of increase in salaries	**3.25%**	3.65%
Rate of increase in pensions in payment in excess of Guaranteed Minimum Pension	**2.10%**	2.40%

Assumed life expectancies on retirement at age 63 are:

Retiring today	Males	**23.7**	24.0
	Females	**26.1**	26.3
Retiring in 20 years time	Males	**25.1**	25.4
	Females	**27.6**	27.8

Notes to the Financial Statements (continued)

26 Pensions (continued)

University of East Anglia Staff Superannuation Scheme (continued)

The fair value and retrun on the plan assets were as follows:	**Value at 31 July 2020**	Value at 31 July 2019
The assets in the scheme were:	**£000**	£000
Equity and Property	**59,917**	62,728
Bonds and Cash	**92,970**	83,864
Fair value of scheme assets	**152,887**	146,592
The actual return on assets over the year was	**7,124**	14,763
Present value of funded obligations	**181,867**	169,125
Fair value of scheme assets	**152,887**	146,592
Deficit in funded scheme/ net liability in balance sheet	**(28,980)**	(22,533)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	**2020**	2019
	£000	£000
Benefit obligation at the beginning of the year	**169,125**	143,523
Current service cost	**3,573**	2,927
Interest cost	**3,338**	3,680
Contributions by scheme participants	**69**	72
Actuarial (gains)/losses	**10,327**	23,017
Benefits paid	**(4,565)**	(4,819)
Past service cost	**-**	725
Liabilities at the end of the year	**181,867**	169,125

Reconciliation of opening and closing balances of the fair value of scheme assets	**2020**	2019
	£000	£000
Fair value of scheme assets at the beginning of the year	**146,592**	132,834
Interest income on scheme assets	**2,922**	3,437
Return on assets, excluding interest income	**4,424**	11,634
Contribution by employers	**3,666**	3,742
Contribution by scheme participants	**69**	72
Benefits paid	**(4,565)**	(4,819)
Scheme administrative cost	**(221)**	(308)
Fair value of scheme assets at the end of year	**152,887**	146,592

The amounts recognised in comprehensive income and expenditure:	**2020**	2019
	£000	£000
Service cost - including current service costs, past service costs and settlements	**3,573**	3,652
Service cost - administrative cost	**221**	308
Net interest on the net defined benefit liability	**416**	243
	4,210	4,203

Remeasurements of the net defined benefit liability	**2020**	2019
	£000	£000
Actuarial losses on the liabilities	**10,327**	23,017
Return on assets, excluding interest income	**(4,424)**	(11,634)
	5,903	11,383

Notes to the Financial Statements (continued)

26 Pensions (continued)

Other Pension Schemes

The University contributed to the National Health Service Pension Scheme, a multi-employer defined benefit pension scheme. This is accounted for as a defined contribution scheme because it is not possible to identify the University's share of underlying scheme liabilities. Contributions in the year were £431,000 (2019: £396,000).

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

On 1 October 2017, Deployed Employees transferred employment to the Institute under TUPE.

Deployed Employees retain their membership of the Research Councils Pension Scheme (RCPS), where applicable, with QIB becoming an admitted employer in the scheme. The RCPS is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The RCPS Pension Scheme is a multi-employer scheme and QIB is unable to identify its share of the underlying assets and liabilities. QIB therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Liabilities for the payment of future benefits are the responsibility of the RCPS and accordingly are not included in these Financial Statements. Contributions in the period were £339,000 (2019: £339,000). QIB also paid in £360,000 into an Aviva Stakeholder Pension scheme.

27 Sainsbury Institute for the Study of Japanese Art and Culture

The Sainsbury Institute for the Study of Japanese Arts and Culture ("SISJAC") is an independent Institute affiliated to the University.

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

28 Operating lease commitments

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

Consolidated

	Land & Buildings £000	**Other £000**	**2020 £000**	Land & Buildings £000	Other £000	2019 £000
Payments due:						
Not later than one year	**206**	**243**	**449**	303	309	612
Later than one year and not later than five years	**342**	**204**	**546**	747	366	1,113
Later than five years	**-**	**-**	**-**	249	-	249
	548	**447**	**995**	1,299	675	1,974

University

	Land & Buildings £000	**Other £000**	**2020 £000**	Land & Buildings £000	Other £000	2019 £000
Payments due:						
Not later than one year	**206**	**242**	**448**	303	308	611
Later than one year and not later than five years	**342**	**200**	**542**	747	362	1,109
Later than five years	**-**	**-**	**-**	249	-	249
	548	**442**	**990**	1,299	670	1,969

Notes to the Financial Statements (continued)

29 Related Party Transactions

During the year ended 31 July 2020, the University had transactions with a number of organisations which fell within the definition of Related Parties within Section 33 of FRS102. Transactions are disclosed where Members of Council and other senior members of staff disclose an interest in an organisation with whom the University undertakes transactions which are considered material to the University's financial statements and/or the other party.

Due to the nature of the University's operations and the composition of the Council (some of whom being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a Member of Council may have an interest. All transactions involving organisations in which a Member of Council may have an interest are conducted at arm's length and in accordance with the University's normal procurement procedures. Furthermore, 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.

The Vice Chancellor sits on the Board of a number of bodies in which the University has an interest, albeit an insignificant interest (listed in Note 7). Transactions with these organisations are immaterial to the University and are conducted at arm's length.

Transactions with a wholly owned subsidiary within the University of East Anglia Group are exempt under FRS102. Transactions with joint ventures and partners are as follows:

INTO UEA LLP
During the year the University supplied INTO UEA LLP (INTO) with goods and services to the value of £991,000 (2019: £710,000). At 31 July the balance outstanding was £526,000 (2019: £18,000). The University also received services from INTO to the value of £394,000 (2019: £396,000). At 31 July the balance outstanding was £nil (2019: £3,000).

Union of UEA Students Ltd
During the year the University supplied Union of UEA Students Ltd (UUS) with goods and services to the value of £968,000 (2019: £940,000). At 31 July the balance outstanding was £400,000 (2019: £25,000). The University also received services from UUS to the value of £1,421,000 (2019: £1,429,000). At 31 July the balance outstanding was £6,000 (2019: £11,000).

Anglia Innovation Partnership LLP
During the year the Group received services from Anglia Innovation Partnership LLP to the value of £35,000 (2019: £347,000). At 31 July the balance outstanding was £nil (2019: £nil). During the year the Group also received services from Anglia Innovation Partnership LLP to the value of £82,000 (2019: £nil. At 31 July the balance outstanding was £nil (2019: £nil).

QI Partners
During the year the Groupy supplied QI Partners with goods and services to the value of £588,000 (2019: £608,000). At 31 July the balance outstanding was £29,000 (2019: £163,000). During the year the Group also received services from QI Partners to the value of £1,896,000 (2019: £1,114,000). At 31 July the balance outstanding was £nil (2019: £nil).

Norfolk and Norwich University Hospital
During the year the Group supplied Norfolk and Norwich University Hospital (NNUH) with goods and services to the value of £1,704,000 (2019: £1,454,,000). At 31 July the balance outstanding was £512,000 (2019: £528,000). The University also received services from NNUH to the value of £1,362,000 (2019: £744,000). At 31 July the balance outstanding was £317,000 (2019: £132,000).

Biotechnology and Biological Science Research Council
During the year the Group received research grants from Biotechnology and Biological Science Research Council (BBSRC) to the value of £16,353,000 (2019: £16,625,000). At 31 July £1,362,000 was unspent (2019: £ 893,000). The Group also received services from BBSRC to the value of £nil (2019: £201,000). At 31 July the balance outstanding was £nil (2019: £nil).

Notes to the Financial Statements (continued)

30 Department for Education Bursaries

	2020 £000	2019 £000
Initial Teacher Training Bursaries		
Funding at the beginning of the year	**49**	177
Training Bursary funds received during the year	**2,541**	2,469
Training Bursary payments during the year	**(2,480)**	(2,597)
Funding at the end of the year	**110**	49

	2020 £000	2019 £000
Educational Psychology Bursaries		
Funding at the beginning of the year	**4**	-
Training Bursary funds received during the year	**282**	154
Training Bursary payments during the year	**(279)**	(150)
Funding at the end of the year	**7**	4

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

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

31 Contingent liabilities

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

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

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

32 Post balance sheet event

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