



Financial Statements

2020-21

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Chair's Introduction

Academic year 2020-21 was another extremely challenging year for the University. Students and staff both faced extraordinary events and I am extremely grateful for the positive way in which the University community responded. As a result, we are now in a strong position for future years.

During the year we made significant progress in many areas:

- New courses were introduced, including a suite of new programmes starting in January 2021.
- We completed the refurbishment of the second of our residential towers at Colchester.
- We freed up space to increase our student facing facilities.
- Our student recruitment exceeded all previous records.
- We achieved significant progress in achieving our environmental sustainability targets.
- We developed a comprehensive plan to tackle racism having already progressed some of the issues identified.
- We developed and are enacting a plan to address some very serious issues raised around freedom of speech.
- We formed a new academic partnership with Aegean Omiros College (AOC) in Greece.
- The number of independent researchers in the University's submission to REF rose by 107% in comparison to REF 2014 – an outstanding achievement.
- The results of the first ever Knowledge Exchange Framework (KEF) published by Research England have confirmed

that the University of Essex is one of the best universities for engaging with the community and helping generate local growth and regeneration.

Safeguarding our Staff and Students

Our policy of a phased return of students to our campuses at the beginning of the 2020-21 academic year, combined with testing available for all, resulted in the prevention of widespread COVID-19 infections. Educational outcomes for our students were safeguarded by switching to online provision when the pattern of the pandemic made this necessary. We provided maximum flexibility to our students throughout the year, releasing them from their student accommodation licenses when they were not occupying their on-campus accommodation. This resulted in our campuses having a lower level of occupation than would be the case in a typical year. As a result, the financial contribution from campus services was £16 million less than in a pre-pandemic year. However, we felt providing this flexibility to students was the correct approach.

Student Recruitment

Partly as a result of recruitment to new courses commencing in January 2021, new student admissions for the year exceeded all previous records. Significant improvements in student retention boosted total student numbers further still. Combined with higher recorded entry standards and better student to staff ratios, we rose 16 places in the Complete University Guide to 27th. Despite the impact of the pandemic, we remain on the course set in our Strategic Plan 2019 to 2025 to grow the University to be a community of about 20,000 students and 1,000 researchers by the end of the Strategic Plan period.

Research Excellence Framework (REF) 2021

I am delighted to report that the University's submission to REF 2021 was made as planned by the 31 March 2021 deadline. All of the 704 staff submitted (339 for REF 2014), had publications pre-assessed by internal panels as being either world-leading or internationally excellent with a body of evidence to demonstrate the impact of the research against improved criteria from 2014. This is the result of a tremendous amount of hard work undertaken by colleagues from across the University, and I want to pass on my thanks to all those involved in the preparation of the submission.

Financial Planning

Given the huge uncertainty that existed around the impact of the pandemic on student recruitment for the autumn of 2020, our approach to financial planning and budget setting was to prepare for the worst while working hard to achieve the best. Expenditure controls to reduce non-pay expenditure were introduced and several capital projects were delayed. Following detailed consultation and negotiation with our campus trade unions, a series of staff cost saving arrangements were agreed, focussed on temporary measures that would be capable of being reversed should this prove to be affordable. We also made appropriate use of the Coronavirus Job Retention Scheme as an aspect of our explicit strategy to save jobs and retain productive capacity to enable the University to bounce back from the pandemic as quickly and effectively as possible.

In working hard to achieve the best, the introduction of blended and online provision enabled us to support students to progress on their courses to the timescales they would have expected. New courses were introduced, including a suite of programmes with entry in January 2021, enabling new groups of students to commence their study at Essex at a time that suited them, and provision with partners was expanded.

In taking these steps, the University was able largely to offset a reduction in income of £21m compared to our pre-pandemic plans by cost savings of £18m (achieved even after reversing the staff cost savings measures negotiated with our trades unions). As a result, we recorded an overall accounting surplus, before provision for a one-off urgent repair to our student accommodation, of £5.8m on turnover of £261m. Importantly the University honoured its commitment not to make any redundancies as a result of the pandemic. Overall, this was a positive financial outcome in an extraordinary year.

Capital

Liquidity is of paramount importance in any crisis. Therefore, we delayed our capital programme to retain £77m in cash at year end and extended our revolving credit facility for £20 million with Lloyd's bank from expiry in June 2022 to March 2024. This has ensured access to funds for the duration of our planned financial recovery period and slightly beyond. Notwithstanding the delays to our capital programme, refurbishment of the second of our six residential towers on our Colchester Campus was completed at a cost of £8.6m and preparatory work for refurbishing the third tower will commence soon.

As an aspect of our plans to bounce back from the pandemic, during the year we developed plans to embed the new ways of working that had proved effective and beneficial to colleagues during the pandemic into our business-as-usual ways of operating. We have been able to free up space to support student facing activities by adopting hybrid ways of working, through our "Smart Working at Essex" pilot project. In this pilot project colleagues in our Estates and Campus Services, Finance Planning and Data Insight and People and Culture teams who are able to do so, work partly from home. This approach has helped us to enhance student facilities in our Schools of Sports Rehabilitation and Exercise Sciences and Health and Social Care.

Declaration of a Climate and Ecological Emergency

Sustainability is a fundamental part of our future planning and is a core objective in our University Strategic Plan 2019-25. To this end and recognising that we can and must do more, in December 2020, the University declared a Climate and Ecological Emergency. As a University community we are committed to further improving our environmental performance, bringing together our existing work on carbon reduction, student and staff engagement, travel and transport, and the protection of the natural environment on our campuses. Building on our Declaration of a Climate and Ecological Emergency in June 2021 we approved a new Sustainability Sub-Strategy which gives effect to our commitments.

Reflecting our commitment to sustainability in all its manifestations, the University is ranked 44th in the latest People & Planet University League Table, a rise of 80 places since the previous table was published. In October 2020, Wivenhoe Park, the University's Colchester Campus, received a Green Flag Award for the fourth year running. The Park retained its place in the UK's top ten green spaces, following a public vote. The University has already reduced our carbon emissions by 28% since 2005, uses 100% certified renewable electricity and has committed to reaching net zero carbon emissions by 2035. The solar panels installed on campus roofs already provide 2.5% of our electricity needs, with installation of more solar projects underway to increase this to 5%.

The University also ranked as a top tier university in Uswitch's first annual study looking into UK universities' commitment to renewable energy. We have over 2,000 PV/solar panels across 14 buildings, a number of combined heat and power units and all of our electricity comes from renewable sources.

In light of our declaration of a climate and ecological emergency, and to further strengthen our commitment to Environmental, Social and Governance Principles, in Academic Year 2021-22 we will bring forward a revised Statement of Investment

Principles under which we do not invest in, or borrow from companies who engage, materially, in fossil fuel extraction and production, arms companies, or are complicit in the violation of international law.

Adding focus to our Declaration of a Climate and Ecological Emergency we will make a submission to the 2022 Times Higher Education Impact Rankings. The rankings compare universities around the world on the contribution they make to the 17 sustainable development goals agreed by member states of the United Nations in 2015. Information on our proposed submission is contained within the Strategic Report to these Financial Statements.

National Student Survey 2021

The reduction from 82.2% in the National Student Survey 2020 to 72.2% of our students expressing overall satisfaction with their course in the survey conducted in 2021 is a cause for real concern and action. In the subjects where the restrictions around COVID-19 allowed our students to return to study on our campuses, satisfaction was much higher, confirming the importance of us offering a campus-based education and a rich extra-curricular experience, which are both the hallmarks of an Essex education. We are delighted to be ranked in first place for dental nursing and were also in the top 25% of universities for courses in adult nursing, drama, mental health nursing, and tourism, transport and travel. Looking ahead, we are planning to offer as much face-to-face teaching on our campuses as possible and supporting our students through further improvements to our personal tutor system, supported by our leading innovative learner analytics systems.

The reduction in student satisfaction affected our ranking in *The Times and Sunday Times Good University Guide*, where we fell from 40th to 43rd. *The Guardian* league table combined 2020 and 2021 NSS results to help counter the unique year and this helped us perform well in the *Guardian* with a rise of 21 places. In the *Complete University Guide* the University was ranked 27th a rise of 16 places on the previous year.

Tackling Racism

We're determined to take rapid action against racism on our campuses and to ensure we're supporting our staff and students. Racism exists in our everyday lives, including in higher education and we must tackle it with zero tolerance. During summer 2020, we took a new approach. First, students and staff were encouraged to complete a survey, asking about their experience of racism at Essex, and what actions they thought needed to take place at the University to address racism. We also gave our community, including alumni, the opportunity to email their feedback directly to the University. Next, we invited our whole community to a webinar focused on tackling racism to give staff and students the chance to discuss and raise issues directly with our leadership. Then we set up our Tackling Racism Working Group to pull together the actions that are comprising our response. At its meeting in July 2021, the University's Council endorsed the comprehensive plan, and we are making good progress on enacting the actions identified.

Knowledge Gateway

We begin construction of Parkside Phase 3, an extension of the Parkside Office Village on the Knowledge Gateway site, in the upcoming financial year. This involves the construction of up to 14 office units with a total area of 3,775m² net and is anticipated to create around 300 high-value employment opportunities in the region by 2022, which are currently under-represented within the Essex economy.

This latest phase of development will support our aims for the Knowledge Gateway to become the 'location of choice' for innovative companies seeking business premises and innovation services to support their growth, and for this additional grow-on space to complement our existing business eco-system, further enabling Parkside to develop into a technology cluster and SME hotspot.

Review of two events involving external speakers

As a University, our responsibilities include upholding academic freedom and freedom of speech within the law, legal duties in relation to equality, diversity and inclusion and a commitment to our values. The relationship between these responsibilities comes to the fore in moments of contestation. Universities have a vital role to play in convening difficult and sometimes uncomfortable conversations, and in curating the spaces in which ideas that some may find challenging or unpopular can be expressed and debated.

Over the last 18 months we have had to address the very serious issues raised by the cancellation of a seminar, a decision not to re-invite the external speaker who was due to speak at the cancelled seminar, and the failure to invite a chosen external speaker to another event, although this decision was subsequently reversed. These events might be seen by some as small in number in a very full programme of over 1,500 events with external speakers each year. However, they raised very serious issues about how we deliver on our legal obligations and our values. The Vice-Chancellor commissioned an independent review and in May 2021 the University's Council agreed a series of actions to address the serious mistakes the University had made in relation to these two events and to ensure they are not repeated. The University is committed to enabling members of our community to speak freely within the law by providing a supportive and inclusive environment within which people can expect to learn, grow, and develop through challenge. This means that our community may encounter ideas or arguments which may be experienced as objectionable or offensive but that a line will be drawn at conduct which is unlawful or contrary to the University's policies.

To ensure that this is the case, Council are recommending to the Privy Council an amendment to our Royal Charter. In addition, we have updated a number of policies including: our Speaker Code of Practice, our Equality, Diversity and Inclusion Policy,

our approach to Supporting Trans and Non-Binary Staff guidance document, and our Harassment and Bullying Zero Tolerance Approach statement. These are publicly available on our web site.

Having the right policies in place is vital in ensuring that the University acts lawfully and unequivocally in setting out the behaviours that we expect, with clear expectations for how we treat each other, and in doing so, promoting the organisational culture that we want. But as the Vice-Chancellor has made clear, policies are only effective if our staff and students are aware of them and know how to use them – and only then can they be effective in shaping the lived experience of our community. This is what we must ensure happens and our Council will regularly review progress to ensure this is the case.

Partnerships

Adding to our existing portfolio of highly valued academic partnerships, an ambitious new partnership with Aegean Omiros College (AOC) in Greece was put in place during the year. AOC, part of the Omiros Group, has campuses in Athens, Piraeus and Larissa. The University's portfolio of courses with AOC includes undergraduate and postgraduate validated degrees in the areas of Business Administration, Shipping, Tourism, IT, Allied Health, Psychology and Education. AOC is a highly respected institution which shares our values including our commitment to excellence in education.

Achievements

The results of the first ever Knowledge Exchange Framework (KEF) published by Research England have confirmed that the University of Essex is one of the best universities for engaging with the community and helping generate local growth and regeneration. The findings show Essex is in the top 10% for its work with the public and third sector and in the top 20% for its public and community engagement and work on local growth and regeneration.

These results reflect the University's long-standing commitment to effective research collaborations and our income from collaborative research has more than doubled in the last four years. The University contributes over £500 million to the regional economy annually. Key achievements include securing £60m investment for the Knowledge Gateway research and technology park; a portfolio of 35 Knowledge Transfer Partnerships (KTPs), and spin-out companies, including Ultrasoc Ltd, which was acquired by Siemens in 2020.

It has been particularly pleasing to see the continued development and success of the Edge Hotel School since it became an academic department of the University. Not only does the School offer a unique, work-based curriculum, developed in conjunction with and reflecting the needs of the hospitality industry, it also receives consistently positive feedback from its students. In this year's NSS 2021 results, the School recorded an impressive overall student satisfaction rating, with 96.7% of Edge Hotel School students expressing overall satisfaction with their course, a result that is all the more remarkable in the context of the impact of the pandemic on the work-based learning opportunities for students in the hospitality sector. This outstanding result followed the results in 2020, when the School achieved 100% for student satisfaction in the National Student Survey and ranked 1st in the UK for its subject area.

A national award for boosting opportunities for young people has been won by Make Happen, based at the University of Essex and part of the Office for Students' UniConnect programme. The Levelling Up Universities Awards recognise higher education institutions and their staff for their commitment to boosting opportunities for young people. Make Happen was recognised for the way it has helped students through the UCAS application process despite the challenges posted by COVID-19. The Awards were hosted by former Education Secretary Rt Hon Justine Greening and former Skills and Apprenticeship Minister Rt Hon Anne Milton.

Senior Team

I would like to express my appreciation of the outstanding leadership by our Vice-Chancellor in steering the University through this challenging period. He and his senior team worked tirelessly, meeting regularly throughout 2020 to ensure that the University responded appropriately to all developments of the pandemic.

We are grateful to Professor Christine Raines for her enormous contribution as Pro-Vice-Chancellor Research, including leading on the University's submission to REF 2021 which saw the number of independent researchers being submitted rise by 107% in comparison to REF 2014. Christine has now handed over to Professor Chris Greer. We are also grateful to Professor Moya Lloyd who concluded a successful three-year term as Executive Dean for the Faculty of Social Sciences and Susie Morgan who retired in April 2021 as Director of People and Culture. Moya and Susie are succeeded by Professor Nancy Kula and Dr Alix Langley, respectively. Professor Dominic Micklewright's success over eight years as Dean of Partnerships is evidenced by the fact that he developed the partnerships portfolio so much that it was necessary for him to be succeeded by two people: Professor David O'Mahony as Dean of Partnerships (Research) and Professor Anney Lax as Dean of Partnerships (Education).

Outlook

As a University with strong European links and a proud history of recruiting excellent students and staff from EU 27 countries, we anticipated that Brexit would have a significant impact on us. Within a few days of the referendum in 2016, we re-doubled our work on advancing our international profile in Europe and beyond, investing more in our regional international offices, seeking new partnerships, and developing a new range of scholarships. While admissions of students in October 2021 from the EU and EFTA are estimated to be 750 fewer (75%) than last year, the numbers of international students, in particular, have grown substantially. This gives us confidence in forecasting a cash

surplus of at least 3% of income, growing to 4.5% for 2022-23 and 5.5% each year thereafter. These surpluses will be achieved after we have made provision for a student to staff ratios of 14.5 to 1 and maintaining our ranking as a top ten institution for investing in facilities for students. We will also continue to refurbish our campuses, develop sophisticated information technology solutions and create world-class facilities for research.

I am extremely grateful to all staff at the University for their efforts in putting the health and safety of our students first and retaining our productive capacity so that we can emerge from the pandemic with renewed confidence for the future and achievement of the objectives set in the University Strategy 2019-2025 still very much within our sights.



Jane Hamilton

29 November 2021

Highlights from 2020-21

17,780

students*

7,302

new students

100,000+

alumni

**TOP
25**

for research quality in
*The Times and The Sunday
Times Good University
Guide 2021*

22nd

for international outlook
in the THE World
University Rankings 2021

**TOP
50**

for politics and sociology in the
QS World University Rankings
by Subject 2021. We're 52nd
for social sciences in the Times
Higher Education World
University Rankings 2021



We're part of the Young Universities for the Future of Europe (YUFE) Alliance and the Young European Research Universities Network (YERUN).



The Students' Union Refugee Training Programme won the outstanding collaboration award at the national NSVA Awards.

3,000+

students took part in our Big Essex Award scheme, which recognises student participation in extra-curricular activities that add to their overall experience and skills.

2.1m

people read articles by Essex academics on The Conversation website. The Conversation is an international news outlet which publishes news and views written by members of the academic and research community,

£8.8m

Angels@Essex matches investors with those needing funding and was launched in May 2020 as part of our University Enterprise Zone. It's attracted £8.8m of funding with 26 businesses sharing £5.3 million and a further £3.3 million committed.

***Figure provided is a headcount as opposed to our other published figures which represent full-time equivalent (FTE).** This headcount figure includes registered students only, includes the three main campuses (Colchester, Southend, and Loughton), including those marked as apprenticeship locations, includes the faculties of Humanities, Science and Health, Social Sciences, and non-faculty-based activity (incoming Study Abroad), includes all courses, except for occasional study.

Strategic Report

Objectives and strategy

Our mission is to deliver excellence in education and research, for the benefit of individuals and communities. We are proud to offer a transformational research-led education, welcoming students to the University on the basis of their potential, helping them to fulfil that potential, and transforming the lives of everyone who chooses to study at Essex. It has been an exceptional 18 months for our community, and we have been vigilant in minimising the number of cases of COVID-19 amongst our staff and students and focused on delivering the best possible education and student experience within a context of unprecedented circumstances. Throughout the pandemic, we have kept at the forefront of our mind taking short-term decisions in the context of our long-term strategy (<https://www.essex.ac.uk/about/university-strategy>).

Financial performance during 2020-21

Despite the negative impact of COVID-19 the University returned a sound outcome. The main financial impact of COVID restrictions was particularly felt in Campus Services, returning an overall financial deficit of £12.7m, of which £9.2m related to Accommodation, where the University took a very early decision to offer maximum flexibility to our students so that they only paid for accommodation they actually used. The University made considerable investments of £2.5m in moving our activities online, investment in testing facilities of £1.2m and topping up the salaries of staff on furlough to 100%, at a cost of £0.238m.

In addition, operational budgets were reduced, all but essential capital expenditure deferred, accompanied by enhanced cost monitoring controls throughout the year. As a result of our risk-balanced approach and excluding any provision for costs relating to cladding remedial works, the University delivered an accounting surplus of £5.8m and cash surplus of £14.6m (5.9%).

Strong year-on-year growth of 10% in student numbers was achieved, with particular growth seen in flexible start date provision. We achieved a record level of income from student fees of £168m (an increase of 14% from 2019-20) with a student population of 16,404 FTE and growth across UG and PGT levels and home and overseas markets.

Despite the disruption and delays to research contracts arising from COVID-19, research contract income and indirect costs recovered only suffered minimal reductions in 2020-21 from the previous year.

A focus of the University's staffing strategy is to increase the number of staff with an education and research component to their contract: to increase the research power of the University; to further strengthen the research led education that we offer at Essex; and to improve student staff ratios. As a consequence of pursuing this strategy, the University submitted just over 700 staff FTE to REF 2021 (compared with 339 FTE submitted to REF 2014). Over the 12-month period August 2020 to July 2021 academic staff numbers increased by 65FTE (8%) and total staff numbers by 82FTE (3%).

	2019-20	2020-21	Year-on-year movement
	£000	£000	
Research contract income	29,790	28,062	(5.8%)
Research contract indirect costs recovered	6,899	6,376	(7.58%)

Capital investment

Following the outbreak of COVID-19, the University's financial position was reviewed, and a revised Capital Investment Plan (CIP) approved by Council in July 2020. The revised plan reduced planned expenditure to about one-third of the planned capital expenditure set out in the approved pre-COVID CIP.

The criteria for identifying which capital projects would continue were focused on 'essential spend', because the

project fell into one or more of the following categories:

- essential health, safety, maintenance and compliance related expenditure.
- projects already under way and for which the University has contractual commitments; and
- projects that are necessary to support the Bounce Back strategy of the University in response to COVID-19.

	2019-20 £000	2020-21 £000	Total £'000
Total Investment	£20,694	£14,426	£35,120

Major Projects included:

- Eddington Tower – Completion of the refurbishment of the second of the University's residential towers. The works included refurbishing 260 bedrooms, kitchens, toilets, showers and corridors. The high-rise accommodation building now has two firefighting lifts, sprinkler system and fire alarm system installed throughout. Total cost £8.5m (2020-21 £6.095m).
- Life Sciences Level 2 – A £1.885m refurbishment project that will enable collaboration nationally and internationally in two key areas of our education and research: marine biology which relates to broader environmental agendas, and structural biology (Protein Structure and Mechanisms of Disease Research Group) which underpins areas including human health, the environment and biotechnology. It is due to complete in 2021-22 (2020-21 £0.830m).
- Causeway Teaching Centre – Completion of a new £5.4m teaching facility consisting of 15 teaching rooms spread over three floors incorporating flexible furniture layouts to enable multiple teaching styles. (2020-21 £0.830m).
- Parkside Phase 3a – The Parkside Phase 3a building, consists of four open plan

floors, totalling 40,000sqft that can be split into four individual tenanted areas. The building will have a 'brown' roof to mitigate the ecological impact of the development, with PV panels to help lower the carbon impact. Enabling utilities work has been required with diversion of a gas supply complete and work now commencing on diversion of a water main. (2020-21 £0.410m).

Debt, liabilities and liquidity

Cash continues to be managed prudently, with deposits pulled back from high street banks to be invested in a range of AAA-rated money market funds. Cash, cash equivalents and short-term investments increased from £64m to £77m over the year, reflecting the cost saving measures taken during the pandemic. The University Council has set a requirement for a minimum of 60 days liquidity, and we achieved 140 days of general expenditure (excluding depreciation) at 31st July 2021, compared with 2019-20's figure of 163 days. Total long-term debt outstanding at 31 July 2021 was £144.9m (2020 £146.9m). The University was fully compliant with its banking covenants and is on track to remain so in the foreseeable future.

THE Impact Rankings

In 2015 all member states of the United Nations adopted a 2030 Agenda for Sustainable Development incorporating 17 goals. The purpose of the Sustainable Development Goals is to promote partnership working among the 193 United Nations member states to address, with urgency, some of the world's most pressing issues such as reducing inequality, eradicating poverty, promoting peace, tackling climate change and improving health and education.

The University of Essex is one the world's highest ranked universities for international outlook¹, and as such we recognise not only the past achievements, global reach and positive impact our education and research has had but also our future potential. Since we opened our doors in 1964, over 100,000 students from over 140 countries around the world have graduated with a University of Essex degree. Our education is inclusive and transformational as many of our students come from developing countries, from low participation backgrounds or are first in family to study for a degree.

Research at the University of Essex has also made a very significant contribution to sustainable development goals for example through the world leading work of some of our institutes and centres. Examples include the newly formed Institute for Public Health and Wellbeing, Human Rights Centre, Institute for Social and Economic Research, Institute for Analytics & Data Science, Centre for Environment and Society, Essex Plant Innovation Centre, Centre for Migration Studies, Centre for Accountability and Global Development and the Centre for Trauma, Asylum and Refugees.

It is not just what we do through Excellence in Education and Excellence in Research that makes a difference to the Goals, but also how we operate as an organisation with

a better more sustainable future in mind. Every decision made by our committees includes a mandatory analysis of the impact it will have on the environment, equality and diversity². From the changes we have made in reducing and recycling the waste from our campuses to the direct action we have taken to address the gender pay gap, we are constantly improving the way we do things and the choices we make in becoming a more sustainable organisation.

Earlier this year, the University of Essex declared a climate emergency³ along with an action plan setting out the practical steps we will be taking to achieve carbon net zero. Our commitment to change and to the United Nations Sustainable Development Goals is therefore grounded in action and a determination to ensure that we become a university that is fit for the future, and that through our education and research we contribute to the knowledge and skills needed to address the worlds most pressing problems. I am delighted to include in this year's Annual Report, an outline of what the University of Essex has been doing to support each of the 17 Sustainable Development Goals.

Measuring the contribution of the University in progressing each of the Sustainable Development Goals is not easy. This is because during the past decade The University of Essex publishes on average 1900 research outputs per year and we have approximately 3000 different programmes of study including undergraduate, postgraduate and research degrees. That's a lot of reading and it would be impossible to directly map every goal against each research paper and degree course. Instead, we have adopted keyword methodologies commonly used across the higher education sector, including the Times Higher Education Impact Ranking which we have submitted to for the first time this year.

¹ Time Higher Education World University Rankings 2022, 25th for International Outlook.

² This analysis is shown on committee cover sheets which can be provided on request.

³ <https://www.essex.ac.uk/sustainability/the-climate-and-ecological-emergency>

There are two commonly used keyword sets for each of the Sustainable development goals. The first set was developed by the Asia/Pacific Sustainable Development Solutions Network (SDSN)⁴ which is very broad and the other is the Elsevier keyword set⁵ which is used by the Times Higher Education and is much narrower. For our research we have used both keyword sets

to search our publications using the Scopus indexing service, reporting the number of publications and citations Essex has achieved for each goal from 2010 to 2021. For our education we have indicated how many programmes relate to each SDG and how many student interactions there have been across these programmes since 2010.

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

	Publications		Citations	
	SGSN	Elsevier	SGSN	Elsevier
SDG 1: No Poverty	4163	47	97079	899
SDG 2: Zero Hunger	3183	77	83073	9019
SDG 3: Good Health and Well-being	4357	1404	99418	28104
SDG 4: Quality Education	1810	24	26140	475
SDG 5: Gender Equality	2061	117	33253	1516
SDG 6: Clean Water and Sanitation	1204	21	29286	304
SDG 7: Affordable and Clean Energy	1943	260	47457	3866
SDG 8: Decent Work and Economic Growth	4937	216	94773	3210
SDG 9: Industry, Innovation and Infrastructure	6495	69	145886	1801
SDG 10: Reduced Inequality	6776	242	133120	4116
SDG 11: Sustainable Cities and Communities	3684	105	95543	1378
SDG 12: Responsible Consumption and Production	3533	85	82983	1566
SDG 13: Climate Action	1349	203	42989	11612
SDG 14: Life Below Water	635	161	21392	3864
SDG 15: Life on Land	2083	73	65407	2923
SDG 16: Peace and Justice Strong Institutions	3356	668	48731	7452
SDG 17: Partnerships to achieve the SDG	252	N/A	5807	N/A

⁴ <http://ap-unsdsn.org/regional-initiatives/universities-sdgs/>

⁵ https://service.elsevier.com/app/answers/detail/a_id/31662/supporthub/scopuscontent/

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

	Relevant Degrees		Student Engagements	
	SGSN	Elsevier	SGSN	Elsevier
SDG 1: No Poverty	821	11840	115	713
SDG 2: Zero Hunger	639	7675	2	27
SDG 3: Good Health and Well-being	431	5111	235	2664
SDG 4: Quality Education	607	6667	28	119
SDG 5: Gender Equality	541	6584	150	926
SDG 6: Clean Water and Sanitation	246	1603	3	28
SDG 7: Affordable and Clean Energy	195	1345	14	76
SDG 8: Decent Work and Economic Growth	897	15192	168	1572
SDG 9: Industry, Innovation and Infrastructure	1090	14277	31	149
SDG 10: Reduced Inequality	986	16,008	190	1,112
SDG 11: Sustainable Cities and Communities	585	7,133	13	66
SDG 12: Responsible Consumption and Production	511	5,686	84	805
SDG 13: Climate Action	146	998	91	472
SDG 14: Life Below Water	140	1,485	33	250
SDG 15: Life on Land	271	1,934	18	108
SDG 16: Peace and Justice Strong Institutions	584	7,502	298	3,358
SDG 17: Partnerships to achieve the SDG	N/A	N/A	N/A	N/A

Future outlook and prospects

The last 18 months have been challenging for staff, but even more challenging for our students. We know that coming to Essex is not just about getting a degree but an education. Core to the Essex offer is engagement by our students in clubs and societies, participation in sports, volunteering, music and the arts. In a context of the high take-up of vaccinations, for Academic Year 2021-22, we want to fully open our campuses and run as much face-to-face teaching and as many extra-curricular activities as we safely can – with all the necessary protective measures we need to take. We are optimistic that this year we will be able to offer a broader and richer student experience than in the previous 18 months.

We also remain optimistic about our plans to grow our University community to 1,000 researchers and 20,000 students by 2025. Whilst there are challenges, there are also existing investments that are delivering sustained growth, notably courses commencing in January each year and exciting new partnership opportunities for the University to continue to expand its student population.

Our track record of generating annual cash surpluses in excess of 5% over the last 7 years is key to delivering on our ambitions. This has already allowed the University to invest £18m in a state-of-the-art STEM Centre, £12m in our Sports Arena including office space for our SRES department, the refurbishment of two of our iconic

Student Towers at £16.2m and investment in our Science and Research park, the Knowledge Gateway, including £12.2m in the establishment of an Innovation Centre. We have ambitious plans over the next 4 years to invest a further £118m.

In addition, we have extended our revolving credit facility for £20 million with Lloyd's bank from expiry in June 2022 to March 2024.

Following the declaration by the University of a climate and ecological emergency, a review of the Sustainability Sub Strategy has taken place, and in delivering the goals we have set for ourselves we will minimise the environmental impact of our physical estate, through enhancement to the sustainability credentials of our built environment and through behavioural change of our campus community. Through focusing on value for money building fabric improvements and low energy and carbon infrastructure, we will minimise our energy, water and resource use within the existing estate and where any estate growth does happen it will be to the highest possible environmental standards and have the lowest carbon impact.

Risk

Policy and approach

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

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

- Council has responsibility for overseeing risk management within the institution as a whole.
- The Vice-Chancellor and University Steering Group (the University's Executive) advises the Council and implements the policies it approves.
- The Audit and Risk Management Committee (ARMC) provides Council with independent assurance about the effectiveness of the University's risk management arrangements.
- External Audit has an overview of the policy, making comments and recommendations of practical benefit.
- Internal Audit provides ARMC and Council with independent assurance about the effectiveness of the University's risk management arrangements.
- The institution makes prudent recognition and disclosure of the financial and non-financial implications of risks.
- Heads of Departments and Heads of Section are responsible for developing awareness of risks within their units, and for identifying risks inherent in new developments.
- Key risk indicators are identified and monitored regularly.

Between March 2020 and July 2021, routine reporting and oversight of our risk management and internal control arrangements has been supplemented by fortnightly meetings with the Vice-Chancellor, the Chair of Council, the Chair of Audit and Risk Management, the Deputy Vice-Chancellor and Registrar and Secretary, and additional meetings and reports to Council when necessary.

Risk Appetite

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

Risk ownership and management

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

For control of operational level areas, Faculties, Departments and Professional Services sections, maintain local Operational Risk Registers that identify risks and relevant mitigating actions. Local risk management groups conduct operational risk register reviews at least once a year and material changes (the addition of new risks, the removal of risks and significant changes to risk ratings) are reported to RMG on a cyclical basis. This provides a clear route for risk identification and escalation. Risk owners are also required to report on the potential impact of risks on the Strategic Risk Register as well as any associated resource, legal, regulatory or equality implications, which require consideration by the University. Operational risk register updates enable RMG to understand local issues and to check consistency in scoring across broad risk themes; these, along with the strategic insight of RMG members and their knowledge of changes in the internal and external environment, allows RMG to assess the Strategic Risk Register critically on a termly basis.

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

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

Key risks

The University has an established Strategic Risk Register (SRR), which details those risks that pose the greatest challenge to the University meeting its strategic objectives in the current planning period. The COVID-19 pandemic significantly increased the likelihood of these risks crystallising and the University responded with a number of mitigating actions including: Overcoming barriers to recruitment through diversification of income streams, particularly through January starters and Post Graduate recruitment; taking positive steps to encourage students and applicants back onto campus in a safe and controlled manner; the inclusion of a significant contingency sum in the 2021-22 budget to mitigate specific market or programme level risks and risks in relation to EU student registrations; transitioning to more flexible and agile ways of working to reduce the demand for office space on campus and allow for a more flexible and innovative use of the estate; the implementation of controls and measures to ensure safety on campus and for proportionate action to be taken in response to infection levels.

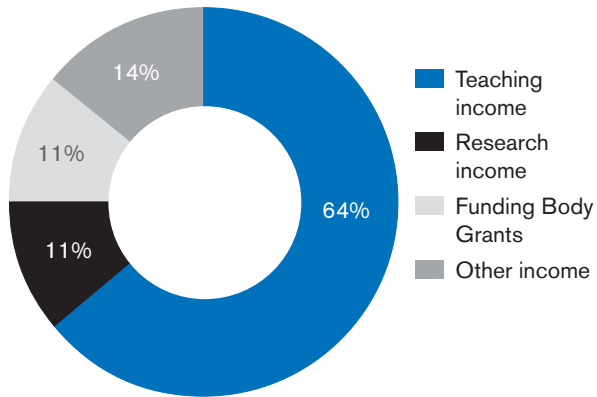
Key Performance Indicators

		2020-21 Performance				RAG Definition (Institutional level)		
	2022 Target	RAG	Rank	Value	Baseline Year	R	A	G
1 – TGUG Rank	25 th	A	43 rd	626	37 th	51st and below	25th-50th	25th and above
2 – THE-WUR Rank	250 th	A	338 th	46.7	287 th	401st and below	250th-400th	250th and above
3 – TEF	Gold	G	Gold	Gold	Gold	Bronze (or lower)	Silver	Gold
4 – Student Satisfaction	25 th	R	105 th	69.7	61 st	51st and below	25th-50th	25th and above
5 – Graduate Outcomes	25 th	R	83 rd	67.6	72 nd	51st and below	25th-50th	25th and above
6a – Student Outcomes Progression	<5	A	–	35	104	No. of red flags greater than half the 2019 baseline	Half the 2019 baseline	Less than 5 red flags
6b – Student Outcomes Good Degrees	<5	A	–	13	94	No. of red flags greater than half the 2019 baseline	Half the 2019 baseline	Less than 5 red flags
6c – Student Outcomes Grad. Outcomes	<5	R	–	14	11	No. of red flags greater than half the 2019 baseline	Half the 2019 baseline	Less than 5 red flags
07a – Research Degree Completion	70%	G	–	81%	67%	Under 60%	60-70%	70% and over
07b – Research Degree Awards	0.22	G	1 st	0.31	0.30	More than 0.05 below the average of the benchmark	Within 0.05 of the average of the benchmark group	Above the average of the benchmark

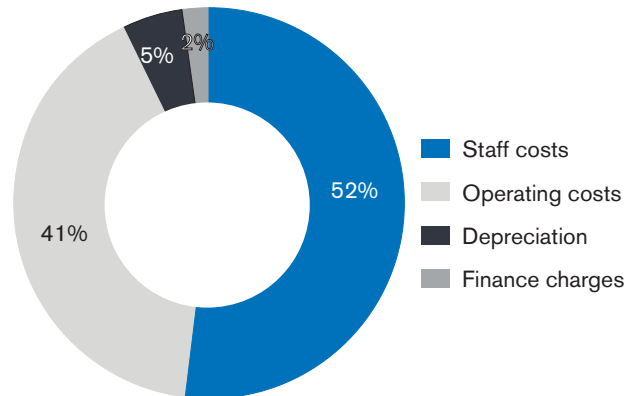
		2020-21 Performance				RAG Definition (Institutional level)		
	2022 Target	RAG	Rank	Value	Baseline Year	R	A	G
08 – Research Quality	20 th	A	25 th	37.2	37.2	41st and below	20th-40th	20th and above
09 – Citation Rates	40 th	R	75 th	8	63 rd	51st and below	40th-50th	40th and above
10a – Research Income/ Staff FTE	20 th	R	41 st	£48,046	36 th	41st and below	20th-40th	Top 20 of group
10b – Income from Industry	£8.6m	A	15 th	£4.4m	£2.6m	Declined or stagnant performance from 2019 baseline, and below average of benchmark	Improved performance from 2019 baseline, but below average of benchmark	Above average of benchmark
10c – HE-BCI Income	£32.8m	A	13 th	£26.8m	£25.8m	Declined or stagnant performance from 2019 baseline, and below average of benchmark	Improved performance from 2019 baseline, but below average of benchmark	Above average of benchmark
11a – Cash Surplus/ Deficit	3.0%	G	–	5.7%	6.0%	Below 5.5 (or 3 this year)	–	Above 5.5 (or 3 this year)
11b – Institutional Liquidity Days	60	G	–	136	125	Below 60 days	–	Above 60 days
11c – Institutional Borrowing	>2	G	–	3.75	2.75	Below 2	–	Above 2

2020-21 FINANCIAL STATEMENTS

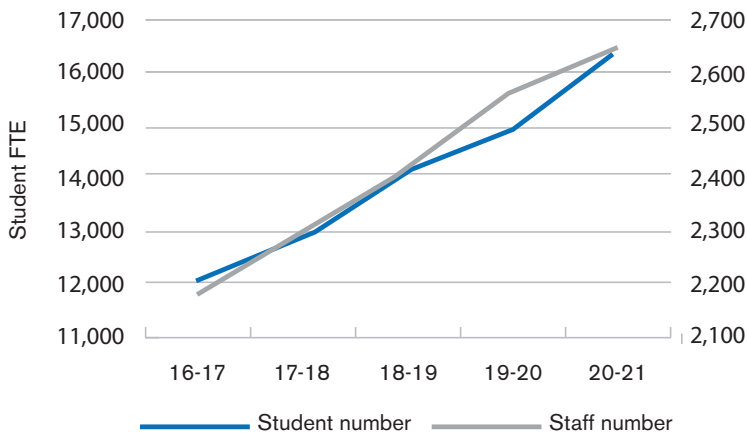
Income 2020-21



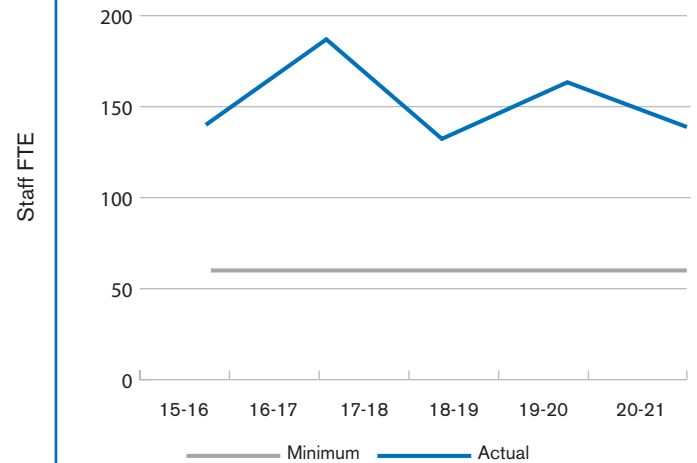
Expenditure 2020-21



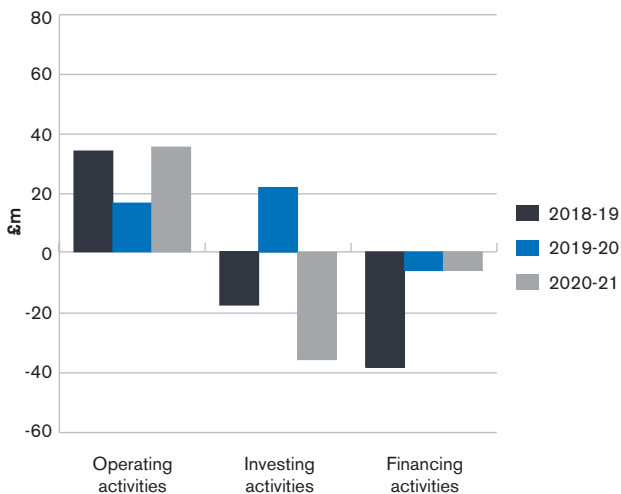
Student and staff numbers



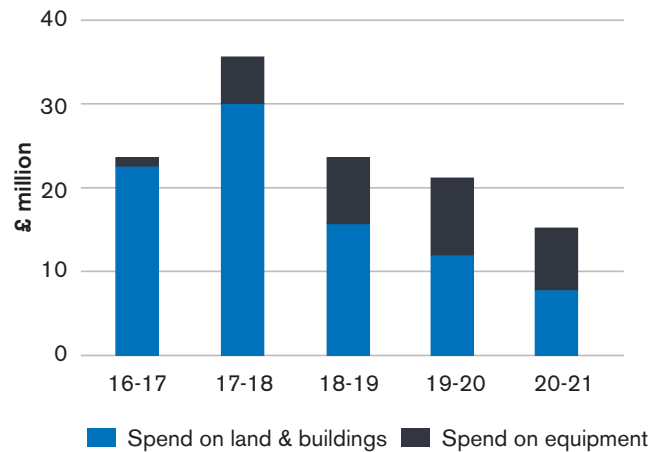
Liquidity days



Cash inflows and outflows



Capital investment



Income
£261M ^{UP}
4.4%
(£250M 2019-20)

**Teaching
Income**
£168M ^{UP}
14.3%
(£147M 2019-20)

**Research
Income**
£42M
(INCLUDING CONTRACTS,
GRANTS AND FEES)

**Cash
Surplus**
£14.3M
(£14.9M 2019-20)
for investment and growth

**Total
Expenditure**
£274M
(£211M 2019-20)

Staffing
2,644
(2,562 2019-20)

**Student
Numbers**
16,404 ^{UP}
10%

**Capital
Investment**
£14.4M
(£20.7M 2019-20)

Public Benefit Statement



OUR CHARITABLE AIMS

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

Our Strategic Plan 2019-2025 states

- Our purpose is to benefit individuals and communities through excellence in education and research.
- We will put student success at the heart of our mission, supporting students from every background to achieve outstanding outcomes; preparing our students to thrive in their future lives and nurturing our community of educators to support and promote student success.
- Our research will continue to focus on asking difficult questions, challenging conventional wisdom, tackling with rigour the questions that matter for people and communities and putting ideas into action to improve people’s lives.

- We will be recognised nationally and globally for the quality and impact of a transformative education and for the international excellence and world-leading quality, scale and impact of our research.
- We will nurture and celebrate our shared commitment to social action, supporting every person in our University community to realise the potential of their Essex Spirit through their contribution to our shared mission.
- We will have grown the University to achieve transformational research through our community of researchers, and extend our knowledge base by investing in new disciplines that meet the needs of our time and to ensure the financial sustainability of the University.

Beneficiaries of our work

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

The undergraduates and postgraduates who study at Essex are the main public beneficiaries of our work in education and research. Other beneficiaries include companies, organisations and charities that employ our graduates, work with our academics on knowledge exchange projects, or access our training programmes.

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

Governance

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

Education

The University provides public benefit through its commitment to providing a transformational educational experience, encompassing both the academic and extra-curricular, to fulfil the potential of our undergraduate and postgraduate students. We have a global community of over 100,000 alumni, taking their Essex Spirit out into the world and making change.

Awards and rankings

We were named University of the Year at the Times Higher Education Awards in November 2018. We are Gold rated in the Teaching Excellence Framework (TEF 2017), and top 25 for research quality in *The Times and The Sunday Times Good University Guide 2021*.

We are ranked 22nd for international outlook in the THE World University Rankings 2021, 52nd for social sciences in the Times Higher Education World University Rankings 2021, and top 50 for politics and sociology in the QS World University Rankings by Subject 2021.



EDUCATION AT ESSEX

In 2020-21 we welcomed 7,302 new students and during 2020-21 17,780 students were studying at Essex at undergraduate and postgraduate level.

We now have a global community of more than 100,000 alumni.

The student experience

We believe the research undertaken at Essex should add value to the student experience. The research mindset is at the heart of our approach to education. Our Undergraduate Research Opportunities Programme gives students the chance to contribute to real-life research taking place in their departments. We also offer opportunities to undertake work placements and study abroad.

Our award-winning THINK series is a cornerstone of the Essex Education and won *The Guardian* University Award for Student Experience. Engaging with the critical issues of the day is one of the things that makes Essex students unique. We engage with controversial issues that cross disciplines and discuss the issues and moral dilemmas that really matter. This year THINK topics covered regulating big tech, nuclear energy in the UK, the future of work and democracy in America with students attending online around the world.

During 2020-21 we further strengthened our role in the Young Universities for the Future of Europe (YUFE) Alliance, which enriches and enhances learning opportunities (including extracurricular

training activities) for our students across a network of ten European universities. Across the ten partner universities 200 students participated in the first academic year of the programme with numbers expected to increase to 700 in 2021-22. YUFE also offers training opportunities for academic and professional service staff by sharing good practice and enhancing the international outlook of all our staff.

We also encourage the personal development of our students through volunteering, sport, music, the arts and engagement with our Students' Union. In July 2020 we were ranked 11th in the UK for the support we provide to students, based on feedback from students across the country in the WhatUni Student Choice Awards. Nightline, the confidential support service, founded in Essex but now available to more than 1.6 million students across the UK and beyond, celebrated its 50th anniversary in May 2020.

Employability and career development initiatives

This year over 3,000 students took part in our Big Essex Award scheme, which recognises student participation in extra-curricular activities that add to their overall experience and skills. Despite the challenging circumstances caused by the COVID-19 pandemic, 26 students managed to achieve the top platinum level this year.

Other career development initiatives include our career mentoring programme, our online careers events and 1-1 support, our first virtual Careers Fair and Generation Essex, which provides a career support package for final-year students and new graduates. Since July 2020, nearly 500 graduates we directly supported through Generation Essex have gone on to get jobs.

We also encourage the personal development of our students through volunteering, sport, music, the arts and engagement with our Students' Union.

Our internships programme offers students and graduates the chance to develop their skills and experience, while providing businesses with the chance to benefit from their knowledge, skills and expertise. Many interns have secured long-term jobs and feedback indicates businesses have gained significant economic benefits. We continue to extend our work placement programme and our students have the opportunity to work at leading companies as part of their course.

Our Click crowdfunding platform supports students wanting to raise money to get their projects and ideas off the ground. Since 2015, 345 student projects, involving 1,340 students, have been supported by nearly £420,000 thanks to the generosity of over 5,500 donors (including match-funding from alumni and friends of the University).

We know that a degree is about more than a specialism. We offer Languages for All, a free one-year language course as part of every undergraduate degree and are also introducing a free Data Science for All course to help non specialists use data effectively. Our approach develops Essex graduates who stand out from the crowd.

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

TEACHING AND EDUCATION

We support every student, from every background, to achieve outstanding outcomes, using innovative teaching methods to show students the real-world applications of their courses. Across our three faculties, a number of innovative teaching initiatives encourage our students to broaden their understanding, develop their analytical skills, and boost their professional confidence.

As part of this, we encourage ongoing staff development and celebrate success with our Annual Excellence in Teaching Awards. Our academic staff have the opportunity to gain professional recognition as Fellows of the Higher Education Academy (HEA) through our CADENZA programme.

New teaching facilities

Our new Causeway Teaching Centre, which offers 15 new teaching rooms over three floors with the ability to provide flexible learning environments, is the latest teaching space in our portfolio.

We've also opened Studio X, within the Innovation Centre, Knowledge Gateway, as a home to our digital creative collaborative studio and student start-up programme.

Case study: an opportunity to learn from theatre industry professionals

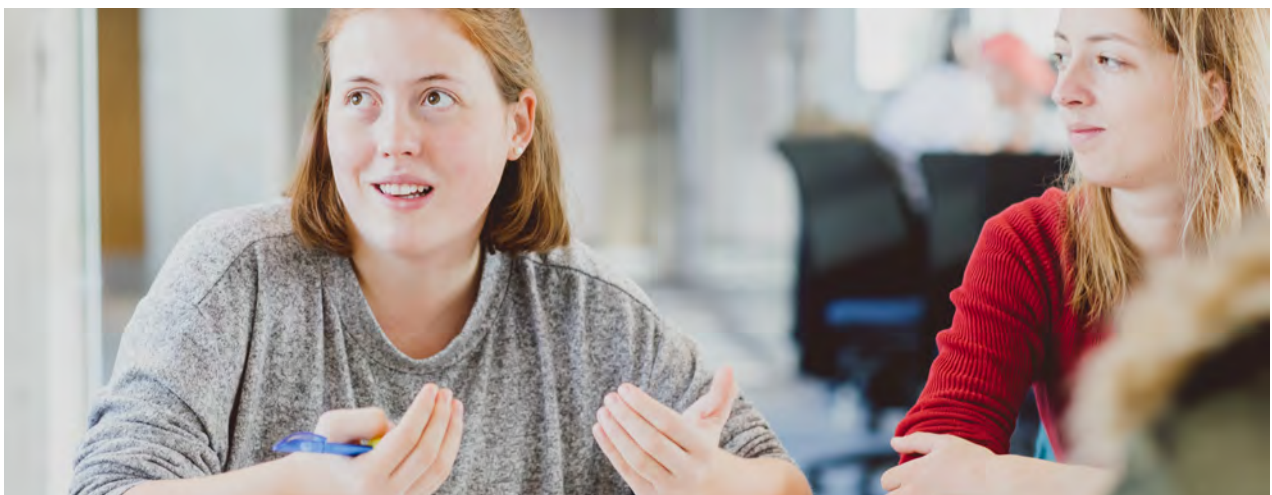
Each year Dr Liam Jarvis runs 'intensive weeks' for theatre studies students. These are vital to Essex's offer. They allow students to creatively innovate under pressure, collaborate with artists in industry conditions, and foster a sense of community between students, teachers and theatre practitioners.

Forced to innovate himself when COVID-19 closed theatres and halted in-person teaching, Dr Jarvis tore up the script and created a new online model that is transforming the student experience.

In May 2021, students worked with puppetry pioneer, and Essex graduate, Sue Buckmaster to explore the issue of climate change whilst learning valuable puppetry and story-telling skills along the way.

Working with professionals from Theatre-Rites, where Sue Buckmaster is Artistic Director, the students learnt how to build a rapport between object, puppeteer and audience, and how to tell compelling, visual stories through discarded waste products.

The workshop, which was described as "playful and joyous", also provided a vital medium for exploring how the theatre community can maximise the potential for online training, creativity and performance as it adapts to the challenges faced by COVID-19.



Highlights: student achievements

- Spurred on by the injustices she was learning about, BA Sociology and Human Rights student Sophie Kabangu successfully applied to join the Amnesty Rise Up programme for young people interested in achieving social change. After learning about campaigning from the best, in the summer of 2020 Sophie launched Colchester's first Black Lives Matter protest and was later recognised in the Big Issue Changemakers list and by Marie Claire as one of its Gen Z activists transforming the world.
- Inspired by her own experiences of domestic abuse, Sam Howlett embarked on her LLB Law and committed herself to becoming the voice for the vulnerable and marginalised. After signing up to join the Essex Law Clinic, which provides legal advice to people in the local community, she was the fastest student to achieve Gold member status when her commitment was recognised in her second year and was Student Director in her final year.
- BSc Physiotherapy student Zoe Wager was one of dozens of health, rehabilitation and social care students who supported the NHS on the COVID-19 frontline. Zoe spent her six-week placement working in the Intensive Care Unit of Basildon Hospital at the height of the January-February 2021 wave helping to move patients, keep their lungs clear and their joints mobile.
- Father-of-four Adeyemi Awomodu was inspired to study BA English Language and Linguistics by his Nigerian heritage. Despite home-schooling, a bout of COVID-19 and his preferred place of study, the library, being closed, he was involved in a cross-disciplinary initiative to decolonise the curriculum and completed a dissertation on his native language, the Yoruba Syntax.
- BA Events Management student Matthew Laws capitalised on the experience of working with a team of Edge Hotel School students at the Brit Awards and has now landed his dream job. Despite the hospitality sector feeling the full force of the pandemic, Matthew secured a Graduate Manager/Training Hotel Manager role at Haycock Manor Hotel.
- After the Black Lives Matter movement sparked an increased interest in Black history and racism, BA Film and Creative Writing student Maja Antoine-Onikoyi founded Maja's Education Project and distributed almost £5,000-worth of books about Black lives and Black history. Maja's Education Project allows people who can't afford to buy books themselves to request a free book from the online bookstore which they can either keep or return in exchange for another book.
- Read stories from our Class of 2021 at: www.essex.ac.uk/graduation/class-of-2021.



Supporting the next generation of researchers

Essex continues to be a leader in doctoral training, developing the next generation of researchers. We are part of several Doctoral Training Partnerships which offer skills training and funding to doctoral students.

ARIES

The Advanced Research and Innovation in the Environmental Sciences is funded by the Natural Environment Research Council, which equips postgraduate research students with the skills to become leaders in the science and sustainable business of the natural environment.

EnvEast

Also funded by the Natural Environment Research Council, EnvEast offers studentships in climate, marine, and atmospheric systems, biodiversity, ecosystem

services and sustainable development, and natural hazards.

CHASE

The Consortium for the Humanities and the Arts Southeast England, offers PhD studentships to the next generation of world-leading arts and humanities scholars.

SeNSS

The South East Network for Social Sciences is one of 14 new Doctoral Training Partnerships funded by the ESRC. It offers studentships in a range of disciplines in the social sciences, including economics, politics and international studies, business and management, linguistics, sociology, psychology and socio-legal studies.

Soc-B

The Social Biological Centre for Doctoral Training (Soc-B) is led by University College

London (UCL), and helps postgraduate researchers investigate the interplay between a person's biology, experiences and behaviour throughout their lives. The University of Essex and the University of Manchester work with UCL as partner institutions.

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

Eastern ARC

We are also a member of the Eastern Academic Research Consortium linking up Essex with the University of East Anglia and the University of Kent to collaborate on research and provide studentships in quantitative social science, digital humanities and synthetic biology.

Meeting different study needs

We offer various routes to an Essex degree to meet the needs of different students. Our Higher and Degree apprenticeships combine on-the-job training and academic study.

We offer six Higher and Degree Apprenticeships Senior Leaders Higher Apprenticeship delivered by Essex Business School and the Advanced Clinical Practitioner Degree Apprenticeship delivered by our School of Health and Social Care.

We will be welcoming our first cohort of Psychological Wellbeing Practitioner apprentices in September 2021 with more apprenticeship programmes being developed with a planned start date of October 2022. We currently partner with over 30 employers for apprenticeship training including NHS Trusts.

We work with Kaplan Open Learning to deliver online undergraduate and postgraduate courses through University of Essex Online. Now, almost 20 per cent of students study for an Essex degree via our partners, including the University of Essex Online, Kaplan Singapore, and Brickfields Asia College in Malaysia. Our online degrees have 95% student satisfaction (NSS 2021).

Student volunteering

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

Every year the Students' Union V-Team helps students deliver thousands of hours of volunteering across a whole range of projects, such as volunteering on our refugee training programme to teaching local schoolchildren; supporting conservation projects to decorating local community centres.

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

This year the Refugee Training Programme was recognised with the award for outstanding collaboration at the national NVSA Awards.

Supporting our students through hardship

During 2020-21 we offered our students extensive support to cope with the impact of the pandemic and to enable them to continue their education.

We distributed over £1,300,000 to students through our Hardship Fund with 1,300 students receiving support.

RESEARCH AT ESSEX

We are one of the leading research-intensive universities in the country ranked in the top 25 for research quality in *The Times* and *The Sunday Times Good University Guide 2020*.

We are top five in the UK for social science research, in the most recent Research Assessment Framework, from 2014.

Essex is in a select group of just 11 'dual-intensive' universities who feature in the top 25% of performance in both the Teaching Excellence Framework (measured by the number of positive flags achieved in TEF2) and Research Excellence Framework (measured by intensity weighted Grade Point Average) (WonkHE, July 2017).

Beneficiaries of our research

Our research feeds directly into the learning experience of our undergraduates and postgraduates. We are committed to knowledge exchange, and sharing our research expertise and building partnerships with government bodies, non-governmental organisations and business at a regional, national and international level. Our research benefits individuals and society by directly engaging with current issues, looking to improve the quality of people's lives and informing debates around policy development and implementation.

Communicating our research excellence

Our academics share their work through publication in a wide range of internationally-recognised journals and they also make a huge range of their work available through the University of Essex Research Repository.

We are a partner of online news site The Conversation, which publishes news and views written by members of the academic and research community. In 2020-21 our academics contributed 53 articles, which were read more than 2.1m times globally, generating almost 700 comments.

In 2020-21 we launched our Louder Than Words podcast giving our researchers the opportunity to discuss everything from migration and inequality to climate change and mental health.

Our global research reputation

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

They engage with a wide range of external partners at a national and international level from NGOs and national governments through to the European Union and United Nations.



- We are home to one of the longest established academic human rights centres in the world. Our Human Rights Centre enjoys a global reputation as a leader in the field of human rights research, practice, and education.
- Our Institute for Analytics and Data Science (IADS) drives breakthroughs and innovation in data, from transfer technology and analytical methods, to socio-economic, ethical, legal and human rights issues.
- Our Institute for Social and Economic Research (ISER) conducts innovative and influential social and economic research, which looks at how people's lives are changing over time. It is home to one of our headline research projects, Understanding Society, the UK's household longitudinal survey, and in 2017 was awarded the Queen's Anniversary Prize for Higher and Further Education.
- In 2013 Her Majesty the Queen conferred a Regius Professorship of Political Science on Essex, recognising 50 years of excellence in research and education in political science. Professor Kristian Skrede Gleditsch is the second to hold the position.

- The best of Essex research, and its positive impact on people's everyday lives, was recognised in July at our online Celebrating Excellence in Research and Impact Awards 2021. Awards were given in nine categories to winners and runners-up, and in recognition of writers of the best-read articles on The Conversation website over the past year.

HIGHLIGHTS: RESEARCH PROJECTS

Our research response to COVID-19

Researchers across our three faculties continue to lend their expertise to the COVID-19 pandemic, helping communities understand the impact of the virus and policies developed in response, and developing new diagnostic tools and medical treatments.

Essex scientists identified how COVID-19 impacts different species, helping future research into developing therapies to treat the disease. By analysing the proteins the virus uses to enter the lungs, the team discovered why some animals, including humans, are more strongly infected by the virus compared to others.



Rapid response Government Covid funding was awarded to projects looking at how to improve the understanding and uptake of health guidelines in 'hard-to-reach' communities in Uganda and how to help vulnerable communities in Brazil.

Essex economists using computer modelling to predict how unemployment and inequality is affected by COVID-19 are developing an unemployment and inequality calculator which could help the Government and others to test the impact of proposed policies, aimed at combatting the recession, before they are introduced.

Psychologists working with Moorfields Eye Hospital developed a low-tech sight test, which can be done from the comfort of your own home and without the need for any specialist equipment, helping optometrists and ophthalmologists unable to see patients in person.

East 15 Acting School researchers showed how the COVID-19 pandemic is adversely impacting freelancers working in the theatre industry. Early results from their study showed that the financial impact on freelancers is forcing many to leave the industry. The study also showed that over 70% of freelancers were pessimistic about their futures.

Scientists created a rapid primary screening tool for Covid-19 which can accurately diagnose people with the virus just by the sound of their cough. The app offers a quicker, cheaper and less invasive way of preliminary testing for the virus.

A team of philosophers are conducting a nationwide survey of professionals working in or with care homes exploring how the COVID-19 pandemic has impacted the use of Do Not Attempt CPR orders and the human rights of residents.

Scientists working with Imperial College London found that drugs typically used to treat prostate cancer could be a good treatment option for Covid-19.

Developing affordable AI-powered care for stroke patients

Artificial intelligence experts joined an innovative project to make high-tech rehabilitation therapies available to stroke patients in rural Mexican communities, where strokes are the third highest cause of death. Funded by the UK Government's Global Challenges Research Fund, the project is combining "on-node" AI with low-cost electronic instrumentation to create a prototype that can collect neuroimaging data and be deployed to rural communities.

Upholding democracy in the age of surveillance

Dr Daragh Murray was awarded more than £1 million through the UK Research and Innovation's Future Leaders Fellowships scheme to look at the impact of artificial intelligence-assisted decision-making on individual development and the functioning of democracy. The four-year project will look at the unintended consequences of the use of algorithms and the mass data collection and surveillance they rely on.

Using green exercise to tackle PTSD

Psychologists showed that the debilitating symptoms of Post-Traumatic-Stress Disorder (PTSD) can be dramatically reduced through simple outdoor activities, such as fishing or horse riding. Working with military veterans, the team showed that outdoor recreational activities reduce symptoms and improve well-being and could be a viable and useful treatment option.

Giving voice to community devastated by earthquake

Heritage and digital humanities expert Dr Paola Di Giuseppantonio Di Franco helped a community in southern Italy talk, for the first time, about the devastating impact of the Irpinia earthquake, which destroyed their town 40 years ago. Her documentary, Italia Terramotata, shed vital light on how resilient communities can be built after disaster.



Creating a blood substitute

Research into developing a blood substitute moved into an exciting new phase after securing a major grant for focused trials into their product. With a £960,000 grant from the Medical Research Council Biomedical Catalyst: Developmental Pathway Funding Scheme Essex scientists will help bridge the gap between the lab-based research and commercialisation of blood substitutes.

Puzzles build bonds between fathers and children

Psychologists showed that dads who want to form a stronger bond with their child should try solving a puzzle or engaging in another problem-solving activity with them. The study revealed how the brains of fathers and their children synchronise during puzzle play putting them on the same wavelength and thus more in tune with each other.

UNESCO role renewed

Computer scientist and artificial intelligence expert Professor Maria Fasli had her UNESCO Chair in Analytics and Data Science renewed for a further four years. She's helping developing and transitioning countries to gain the data science and analytics skills they need for the 21st century.

Poor quality Police and Crime Commissioners impact accountability

Lawyers given exclusive access to high-ranking figures from across UK policing revealed a postcode lottery in police accountability. The research found stark differences in the calibre of Police and Crime Commissioners, with some "ill equipped", leaving police accountability "hinging on luck".

Salmon's eyes may hold the secret to their survival amid decline

Working with the Missing Salmon Alliance, Essex scientists are seeking to discover why Atlantic salmon populations are in such decline by examining eye tissue in the fish. The team hope their study will reveal how the freshwater phase of the salmon's life cycle prepares them for the gauntlets they face in the ocean.

New European collaboration

We joined the Community of Practice in Financial Research (CoPFiR), part of the Joint Research Centre of the European Commission which aims to strengthen the relationship between scientists and policy makers and promote research and collaboration on topics linked to financial stability.

Making robots more resilient to radiation

Essex Scientists working with the National Centre for Nuclear Robotics are exploring how to make robots survive longer in radioactive environments. The study could help speed up the process of cleaning up the UK's 4.9 million tonnes of nuclear waste, the largest and most complex environmental remediation task in the whole of Europe.

Our research environment

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

We're developing a researcher development programme to help our researchers gain all the skills they need to conduct research of the highest quality that can make a real difference to people's lives.



COMMUNITY ENGAGEMENT

Schools' outreach

Our campuses are at the heart of their local communities. Through a broad and varied outreach programme, schoolchildren come to explore higher education, businesses work and collaborate with us, visitors attend lectures to learn about our research expertise and audiences enjoy our full and varied arts programme.

Despite COVID-19 we have continued to work to ensure all students with the potential to succeed, no matter what their background, have the opportunity to understand more about Essex and the benefits of studying at a university. This has been through online webinars and workshops and virtual open days. Our Access and Participation Plan, produced for the Office for Students, sets out our commitment to fair access across the student lifecycle, ensuring equality of access and opportunity, regardless of background.

We are the lead institution for Make Happen, the Essex-based consortium delivering the Office for Students' collaborative outreach programme (UniConnect). Through Make Happen and our University outreach activity we annually engage over 10,000 students locally and nationally from areas where higher education participation is low. COVID-19 has limited our traditional

methods of delivering activity, however it has presented new opportunities to develop online provision, new activity and helped us reach groups that previously were difficult to engage. This has included online mentoring by our current students, podcasts and virtual progressive programmes. These activities, as part of an aspirational programme for schools and colleges, help us meet our published Access and Participation Plan (Office for Students) targets for students from under-represented groups.

We also encourage discussions around important issues linked to our research work. For example, despite the challenges posed by lockdowns and home schooling six schools from across Essex and Suffolk took part in our annual Dora Love Prize. Established in memory of Dora Love, who lived and worked in Colchester after surviving Stutthof concentration camp, the Prize encourages young people to think about the issues surrounding the Holocaust and develop projects which investigate how it relates to the attitudes, discrimination and prejudices still around us now.

Levelling up is not only about fair access to university, but also ensuring all students have equal opportunity to succeed both during their time at university and after they graduate. This includes increasing employability opportunities and helping



under-represented groups get the experience they need to secure graduate level jobs through our award-winning Frontrunners work placement scheme, our internships programme and our senior student ambassador scheme. We have also introduced increased funding for our Hardship Fund to support students in financial difficulty, including difficulty resulting from the pandemic.

We admit students considered on the basis of their merits, abilities and potential, regardless of race, ethnic origin, gender identity, sexual orientation, disability, age, socioeconomic background, family circumstances, religious or political beliefs and affiliations or other irrelevant distinction.

Making our expertise accessible

The general public can access our facilities, courses, talks and events.

Our academic departments offer the wider community the chance to benefit from our research expertise through a huge range of conferences, debates, and public lectures throughout the year, including our THINK! debate series.

We held the Essex Explores lecture series between April 2020 to February 2021 to bring people together online despite the impact of COVID-19. More than 1,250

people from around the world, including from Australia, Japan, Mexico, India, Nigeria, Peru and Russia joined us.

This year's Festival of Social Science event was a public online debate, chaired by David Dimpleby, with a panel including Professor Pax Cox, Professor Peter Bloom, Professor Meena Kumari and Professor John Bartle. The 500+ attendees came from across the world – Austria, Belgium, Canada, Chile, China, Czechia, France, Germany, Greece, Hong Kong SAR, Hungary, India, Iraq, Ireland, Kuwait, Latvia, Mexico, Netherlands, Nigeria, Norway, Peru, Romania, Saudi Arabia, Singapore, Spain, Sweden, Thailand, Turkey, United Arab Emirates, United Kingdom, United States of America, Zambia.

Through our Human Rights Local initiative we identify opportunities to make human rights relevant to surrounding communities by establishing effective relationships with community groups, councils and other stakeholders. For example, the Essex Law Clinic offered legal support for residents, including online guidance during the COVID-19 lockdown.

The Albert Sloman Library is home to a number of important archives which provide valuable resources for researchers and the public.





History Indoors, an initiative founded by PhD students from the Department of History with the aim of bringing new and interesting aspects of history to the wider public, has delivered more than 50 online talks with the help of 22 volunteer doctoral students from four institutions. The team's 220 YouTube videos have been viewed 40,000 times and they have over 1,200 followers on Twitter.

Creating an inclusive community for all

In June 2020 we announced the launch of two new 'Sanctuary' Scholarships to support students who are refugees or seeking asylum to study for a Postgraduate Taught Masters with us in 2020-21. This activity forms part of our commitment to become a University of Sanctuary, and is one element of the many academic, social and cultural initiatives across our campuses that are committed to supporting refugees in our local communities.

In May 2021 we signed a pledge to encourage more young people from Gypsy, Traveller, Roma, Showman and Boater (GTRSB) communities to come to Essex. Through the GTRSB into Higher Education Pledge we will raise awareness of the history and culture of the GTRSB community, provide advice to teachers supporting students from the GTRSB community, appoint a Student Ambassador to act as a role model and mentor and have a dedicated member of staff responsible for supporting our GTRSB students.

More than 250 people from around the world attended events during our 2021 Holocaust Memorial Week programme logging on from Australia, Brazil, Colombia, France, Germany, Guernsey, India, Ireland, Italy, Lithuania, Netherlands, Portugal, Switzerland, Turkey, USA.



BUSINESS ENGAGEMENT

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

Our Economic Impact Report for 2020-21 shows our overall economic impact was £591.9m up 1.27%.

Knowledge Gateway

Angels@Essex, which matches investors with those needing funding, was launched by the University of Essex in May 2020 as part of the University Enterprise Zone project. So far 26 businesses have shared £5.3 million and a further £3.3 million has been committed.

The platform's success shows the huge potential of the Knowledge Gateway research and technology park, based at the University's Colchester Campus, to drive growth in the East of England. Investors

are backing Angels@Essex, companies are being supported, Essex researchers are providing their expertise and the University is fast becoming the location of choice for knowledge-based enterprises in science, technology and the creative sector.

It has been a long-term ambition to become a national centre of excellence for businesses in high-value, knowledge-based sectors linked to the University's research expertise.

As such we have invested over £60 million in the 43-acre Knowledge Gateway, which includes Parkside Office Village and the Innovation Centre – which together provide 71,000 square feet of office space – as well as Essex Business School.

The first two phases of Parkside are complete, are 91% occupied and are home to 21 businesses with 250 employees. Work on the next phase – providing a further 120,00 square feet of offices is due to start in autumn 2021 and will be complete in 2023.

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

Together these vibrant spaces provide accommodation, meeting and conference rooms, communal areas for business networking, and vital hands-on support to help start-up companies, and those ready to scale up their business, to succeed. Parkside is also home to our academic centres the Institute of Analytics and Data Science and the ESRC Business and Local Government Data Research Centre.

In 2019 the Knowledge Gateway was designated a University Enterprise Zone (UEZ) with Research England and the UK Government providing £800,000 towards the £1.3 million project to nurture digital and creative businesses. The UEZ has unlocked millions of pounds of investment through Angels@Essex and the Space to Grow programme has delivered over 500 one-to-one sessions and 63 webinars providing support to budding entrepreneurs. The funding has also enabled us to greatly improve Wi-Fi access across the whole of the Colchester Campus, as well as providing new high-tech equipment and software to support our student business start-up programme, which is based in Studio X at the Innovation Centre.

Knowledge Transfer Partnership success

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

Essex is currently involved in nearly 40 KTP projects – more than any other university in the East of England and London. Our KTPs cover many industrial sectors, including:

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

Leading the EIRA network

We led the Enabling Innovation: Research to Application (EIRA) network, in partnership with the University of East Anglia and the University of Kent to bring higher education institutions together to support business innovation in Essex, Norfolk, Suffolk and Kent. The £4.7 million EIRA project ensured companies could access university expertise and provided a programme of training informed by research.

Student employability and entrepreneurship

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

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

ART AND CULTURE

Keeping theatre alive

We have a theatre on each of our three campuses at Colchester, Southend and Loughton. Theatrical productions continued to be a focus for creativity during lockdown despite having to move largely online.

Final-year students Lottie Grogan and Reanne Black, who first met when they completed East 15 Acting School's Certificate of HE Theatre Arts, showcased their play, *Secret of Cerise*, at PhysicalFest in Liverpool. Inspired by film noir, physical theatre and comedy, the pair first penned the piece for their Self-Devised module.

Essex Book Festival

We continue to be a valued supporter of Essex Book Festival, which this year delivered more than 100 events across the county. Highlights included an evening with former Essex student Ben Okri, discussing his latest poetry collection and the selection of *The Oak Papers*, by Dr James Canton, in the starring role as *The Essex Read*.

Art on our campus

The Essex Collection of Art from Latin America – ESCALA – comprises 750 works, and provides teaching and research space for students, staff and the wider community. ESCALA also displays work in the Silberrad Student Centre, Albert Sloman Library, and Wivenhoe Park at our Colchester Campus. The Collection is also accessible online and features an archive service.

Art Exchange, the gallery at our Colchester Campus, has a year-round programme of events and exhibitions attended by both the public and our students. Events this year included exhibitions, workshops, talks, classes and events.

In June 2021, our MA Curating students offered some post-Covid catharsis with their exhibition *Of Other Spaces: Gardens of Dreams*. The show, which featured expressive dreamscapes and colourful photography blurred the lines between inside and out and was inspired by philosophers Gaston Bachelard and Michel Foucault.



Corporate Governance Statement

Corporate Governance and Accountability Arrangements

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

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

In 2019-20, the University commissioned Advance HE, a sector-owned charity that specialises in higher education governance, to undertake an external review of the University's governance arrangements and Council effectiveness. Advance HE concluded that "the standard of governance at Essex is very good with independent governors being committed and passionate, supported by an open culture" and "comfortably place[d] governance at Essex in the top quartile of the sector". Throughout 2020-21, Council has continued to monitor the implementation of actions that arose from the review.

In 2020-21, Advance HE was appointed to undertake a University-commissioned external review of the Students' Union's governance structures, with a particular focus on Council's oversight arrangements. In its report to Council in May 2021, Advance HE confirmed that the University of Essex Students' Union has "sound foundations of

governance". In keeping with the University's commitment to continuous improvement, an action plan to further enhance the Student's Union's governance arrangements and Council oversight was endorsed by Council in July 2021.

The University Council

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

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

The Council of the University has adopted a Statement of Primary Responsibilities, which is published on the University website (Ordinance 10). The statement sets out the Council's responsibilities in respect of powers of appointment and employment, financial and legal powers, planning, monitoring, control and student welfare.

The Council held four Ordinary meetings and three Special meetings during the year, and one full and one half away day. In addition, the Council received regular briefings and updates on key issues between meetings. The second annual meeting of the Senate and the Council was held in July.

Responsibilities of the Council

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

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

Council are 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 are required to:

- select suitable accounting policies and then apply them consistently.
 - make judgements and estimates that are reasonable and prudent.
 - state whether applicable UK accounting standards 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The 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.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Internal Control

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

- clear definitions of the responsibilities of, and authority delegated to, heads of academic departments and administrative sections;
- a short and medium term planning process, supplemented by detailed annual income, expenditure and capital budgets;
- regular reviews of academic performance and financial results involving variance reporting and updates of financial outturns;
- defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to appropriate levels set by Council;
- Financial Regulations, including financial controls and procedures, approved by Council on the recommendation of the Audit and Risk Management Committee;
- a professional Internal Audit team whose annual risk-based programme is approved by the Audit and Risk Management Committee. The Head of Internal Audit expressed the following opinion for the year ending 31 July 2021 "The University's arrangements for risk management control and governance, and economy, efficiency and effectiveness are adequate and effective. This does not mean that all aspects are adequate and effective, but there are no indications of a material weakness in them. A material weakness is defined as one that could lead to a significant impact on the business, operations or standing of the University."
- regular reports on internal control, compliance and risk received and reviewed by the Audit and Risk Management Committee which in turn are reported to Council which cover all controls (financial, business and operational);

- risk identification and management arrangements which include a Strategic Risk Register which contains weightings (of likelihood and impact) linked to the Strategic Plan which also informs the Internal Audit planning process.

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

The Committees of Council

The Council delegates some business to a number of committees:

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

All of these committees are formally constituted with published terms of reference.

The disclosures in relation to these committees follow those in respect of Council itself. The Audit and Risk Management Committee has no executive responsibility and comprises solely external members, at least two of whom (excluding the Chair) are External members of Council, and at least one of whom has recent and relevant experience in accounting or auditing. There was one vacancy for an appointed member of Council during the summer term.

Audit and Risk Management Committee relies on the work of internal and external audit, on information provided by management and on management responses to the questions it raises. The identification and management of risk is an ongoing process specifically linked to the objectives in the Strategic Plan and is monitored closely by Audit and Risk Management Committee. Audit and Risk Management Committee reports on the results of risk identification, evaluation and

management to Council, which also receives the Strategic Risk Register for regular review.

The Committee met four times in the year.

The responsibilities of the Audit and Risk Management Committee include:

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

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

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

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

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

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

The University Senate

The Senate is the highest academic authority of the University. It is responsible for the promotion of academic work in both teaching and research, for the regulation of educational arrangements and the maintenance of discipline. It receives quality audit reports from both external regulators and in-house departmental reviews. Currently it has five representatives on Council each appointed for three years.

The University Court

The University Court is a formal body established under the Charter and Statutes. Its main function is to receive a report from the Vice-Chancellor on the workings and sustainability of the University since the last meeting. The Annual Meeting took place remotely on Wednesday, 24 March 2021. Members are informed through the 'Friends of the University' newsletter providing regular information from the Vice-Chancellor, keeping them up to date with the current workings and sustainability of the University along with University news.

Council Members (Trustees)

The following table outlines membership of the University Council during 2020-21.

	Terms of appointment		
	Term 1	Term 2	Term 3
External members (10)			
Alexa Coates	27.11.17 – 31.7.20	1.8.20 – 31.7.23	
Dr Elizabeth Hall	1.8.12 - 31.7.15	1.8.15 – 31.7.18	1.8.18 – 31.7.21
Simon Hall	1.8.16 – 31.7.19	1.8.19 – 31.7.22	
Kathryn Harrison-Thomas	1.8.19 – 31.7.22		
Stephanie Hilborne	4.4.19 – 31.7.21	1.8.21 – 31.7.24	
Pravina Ladva	1.8.20 – 31.7.23		
Melanie Leech	4.4.19 – 31.7.21	1.8.21 – 31.7.24	
Danny Lopez	19.5.20 – 31.7.22		
Geoffrey Probert	1.3.14 – 31.7.17	1.8.17 – 31.7.20	1.8.20 – 31.7.23
Dr Adam Wright	1.8.16 – 31.7.19	1.8.19 – 31.7.22	
Ex officio members (7)			
Jane Hamilton, Pro-Chancellor/Chair Pro-Chancellor/Chair from: 1.8.19	1.8.15 – 31.7.18	1.8.18 – 31.7.21	1.8.21 – 31.7.24
Paul Jackson, Pro-Chancellor Pro-Chancellor from: 1.8.20	1.1.17 – 31.7.19	1.8.19 – 31.7.22	
Milan Makwana, Pro-Chancellor Pro-Chancellor from: 19.2.19	1.8.14 – 31.7.17	1.8.17 – 31.7.20	1.8.20 – 31.7.23
Tim Porter, Treasurer Treasurer from: 1.8.16	1.8.14 – 31.7.17	1.8.17 – 31.7.20	1.8.20 – 31.7.23
Professor Anthony Forster, Vice-Chancellor	N/A		
Professor Lorna Fox O'Mahony, Deputy Vice- Chancellor	1.8.20 – 31.7.22		

	Terms of appointment		
	Term 1	Term 2	Term 3
Molly Purcell, President of the Students' Union	1.7.20 – 30.6.21		
Samira-Caterina Monteleone, President of the Students' Union	1.7.21 – 30.6.22		
Appointed Members (2)			
Professor Dominic Micklewright, Dean of Partnerships	28.11.16 – 1.7.19	1.8.19 – 30.6.21	
Professor Nancy Kula, Dean of Partnerships (Education)	1.7.21- 30.9.21	1.8.19 – 31.7.22	
Professor Sanja Bahun, Dean of Postgraduate Research Education	1.8.18 – 31.7.21	1.8.21 – 31.7.24	
Members elected by Senate (5)			
Fiona Elsted	1.8.19 – 31.7.22		
Dr Nilufer Demirkan-Jones	1.8.16 – 31.7.19	1.8.19 – 31.7.22	N/A
Professor Monika Schmid	1.8.19 – 31.7.22		
Professor Shane Martin	1.8.20 – 31.7.23		
Dr Stevphen Shukaitis	1.8.20 – 31.7.23		
Member elected by the non-academic staff (1)			
Dr Ray Lashley	1.8.19 – 31.7.22		

Independent auditor's report to Council of University of Essex

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Essex ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows, and related notes, including the Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, 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; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

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

Going concern

The Council has prepared the financial statements on the going concern basis as 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").

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of the Directors, the Audit and Risk Management Committee, internal audit, and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, and review of the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Audit and Risk Management Committee, University Council and Finance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees, research grants and contracts income, and other income is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to seldom used accounts, and material “period 13” journals.
- Sample testing of income received in the period 01 July 2021 to 30 Sept 2021 to determine whether income was recognised in the correct accounting period.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations.

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

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

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

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

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

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

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

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

Other information

The Council is responsible for the other information, which comprises the Strategic Report, the Public Benefit Statement, the Corporate Governance Statement and Statement of Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, 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; and
- in our opinion the information given in the Strategic Report, the Public Benefit Statement, the Corporate Governance Statement and Statement of Internal Control is consistent with the financial statements.

Council responsibilities

As explained more fully in their statement set out on page 43, Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as

a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

Report on other legal and regulatory requirements

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's statutes;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and

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

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 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 7 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 and in accordance with the Articles, Charters, Statutes or Ordinances of the institution. 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.

Fleur Nieboer (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Accounting Policies

Statement of Compliance

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

Basis of preparation

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

Going Concern

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

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

The budget and financial forecasts for 2021-22 and future years have been prepared with the inclusion of significant contingency budgets to support financial risk areas associated with student recruitment and student accommodation levels. These strongly mitigate any financial and budget risk arising from student recruitment shortfalls against target.

Strong growth is forecast to return in AY 2023-24, owing to an increase in the number of UK 18-21-year olds, increased funding for research following a doubling of the numbers of research active staff being submitted by the University to the Research Excellence Framework (REF), and a UK government commitment to increasing spending on research from 1.7% to 2.4% of GDP by 2027.

For 2021-22 the pre audit cash surplus forecast, at £14.6m, equates to 5.9% of total income. The year-end cash balance for 2020-21 was £54.9m, leading into 2021-22. Add the £20m revolving credit facility (RCF) and this gives total liquid funds available of £74.9m.

There are several options available to Council should there be a need to enhance liquidity levels. These range from enhanced expenditure controls (restricting new staff recruitment, non-pay expenditure to essential activities only and limiting the Capital Investment Programme) to seeking access to additional funding such as greater Revolving Credit Facility funding.

The Group and parent University had immediately available cash reserves of £54.9m at 31 July 2021 and access to £20m through a revolving credit facility; the Group and parent University is looking to increase available cash reserves through revolving credit facilities by a further £20m for a period of up to 5 years.

At 31 July 2021 The Group and parent University had long term debt of £145m with £80m expiring 2043, £50m expiring in 2037 and £15m expiring in 2047.

Based on indicative student registrations, which presents a position where total fee income is expected to be close to budget, the risk of any breach of banking covenants during the review period (August 2021 to November 2022) is very minimal.

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

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021. Intra-group transactions are eliminated on consolidation.

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

Significant judgements and estimates

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

Income recognition

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

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

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

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

Grant funding

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

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

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

Donations and endowments

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

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

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

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

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

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

Accounting for retirement benefits

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

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

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

Defined contribution plan

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

Defined benefit plan

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

Employment benefits

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

Finance leases

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

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

Service concession arrangements

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

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

Operating leases

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

Foreign currency

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

Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 HE SORP are measured on the basis of deemed cost, being the fair value at the date of revaluation.

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

Depreciation

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

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

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

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

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

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

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

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

Heritage assets

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

Investment properties

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

Investments

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

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

Investments in equities and gilts are generally treated as fixed asset investments whilst investments in the form of term deposits with banks and other financial institutions which

have less than three months to maturity, are shown as cash and cash equivalents. Current asset investments are included at the lower of cost and net realisable value.

Stock

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

Cash and cash equivalents

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

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

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

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

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

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

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

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

Reserves

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

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

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2021

	Notes	Consolidated		University	
		Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Income					
Tuition fees and education contracts	1	168,026	147,006	168,026	147,006
Funding body grants	2	28,510	25,898	28,510	25,898
Research grants and contracts	3	28,062	29,790	28,062	29,790
Other income	4	36,704	46,293	28,976	39,102
Endowment and investment income	5	193	662	186	594
Donations and endowments	6	179	395	179	395
Total income		261,674	250,044	253,939	242,785
Less: Share of income from joint ventures	4	(291)	(306)	0	0
Net income		261,383	249,738	253,939	242,785
Expenditure					
Staff costs	8	140,817	138,764	133,028	129,766
Staff costs associated with USS pension increase	8	810	(33,963)	810	(33,963)
Other operating expenses	9	111,349	86,506	111,015	88,110
Depreciation	9	14,532	12,991	13,747	12,196
Interest and other finance costs	9	6,078	6,962	6,006	6,901
Total expenditure	10	273,586	211,260	264,606	203,010
Surplus / (deficit) before other gains and losses and share of operating surplus of joint ventures		(12,203)	38,478	(10,668)	39,775
Share of operating surplus / (deficit) in joint ventures	15	0	0	0	0
Gain on investments		2,168	500	2,168	500
Surplus / (deficit) for the year		(10,035)	38,978	(8,500)	40,275
Actuarial (loss) / gain in respect of pension schemes		(323)	(3,077)	(730)	(2,819)
Increase / (decrease) in value of joint ventures		(18)	(22)	0	0
Total comprehensive profit / (loss) for the year		(10,340)	35,878	(9,230)	37,456
Represented by:					
Endowment comprehensive income for the year		1,587	(37)	1,587	(37)
Restricted comprehensive income for the year		791	40	791	40
Unrestricted comprehensive loss for the year		(12,718)	35,875	(11,608)	37,453
Revaluation reserve comprehensive loss for the year		0	0	0	0
		(10,340)	35,878	(9,230)	37,456

All items of income and expenditure arise from continuing operations.

The notes on pages 64 to 111 form an integral part of these Financial Statements.

Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2021

Consolidated	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	6,879	3,265	194,876	0	205,020
Surplus / (deficit) from the income and expenditure statement	0	0	38,977	0	38,977
Other comprehensive income	(37)	40	(3,102)	0	(3,099)
Transfers between revaluation and income and expenditure reserve	0	0	0		0
Total comprehensive income for the year	(37)	40	35,875	0	35,878
Balance at 1 August 2020	6,842	3,305	230,751	0	240,898
Surplus / (deficit) from the income and expenditure statement	0	0	(10,035)	0	(10,035)
Other comprehensive income	1,587	791	(2,682)	0	(304)
Total comprehensive income for the year	1,587	791	(12,718)	0	(10,340)
Balance at 31 July 2021	8,429	4,096	218,033	0	230,558

University	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	6,879	3,265	208,092	0	218,236
Surplus / (deficit) from the income and expenditure statement	0	0	40,275	0	40,275
Other comprehensive income	(37)	40	(2,822)	0	(2,819)
Total comprehensive income for the year	(37)	40	37,453	0	37,456
Balance at 1 August 2020	6,842	3,305	245,545	0	255,692
Surplus / (deficit) from the income and expenditure statement	0	0	(8,500)	0	(8,500)
Other comprehensive income	1,587	791	(3,108)	0	(730)
Transfers between revaluation and income and expenditure reserve	0	0	0	0	0
Total comprehensive income for the year	1,587	791	(11,608)	0	(9,230)
Balance at 31 July 2021	8,429	4,096	233,937	0	246,462

The notes on pages 64 to 111 form an integral part of these Financial Statements

Balance Sheets as at 31 July 2021

	Notes	Consolidated		University	
		Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Fixed assets					
Tangible assets	12	390,959	391,113	361,455	361,347
Heritage assets	13	798	798	798	798
Investment Properties	12	880	1,140	880	1,140
Investments	14	11,347	10,090	64,200	53,211
Investment in joint ventures	15	86	68	0	0
		404,070	403,209	427,333	416,496
Current assets					
Stocks	16	284	189	202	119
Debtors	17	42,140	31,229	40,949	29,663
Investments	18	22,000	0	22,000	0
Cash and cash equivalents		55,016	63,887	54,051	62,479
		119,440	95,305	117,202	92,261
Less creditors: amounts falling due within one year	19	(74,554)	(53,853)	(89,956)	(60,076)
		44,886	41,452	27,246	32,185
Net current assets					
Total assets less current liabilities		448,956	444,661	454,579	448,681
Less creditors: amounts falling due after more than one year	20	(167,199)	(169,840)	(157,390)	(160,094)
Pension provisions	21	(34,501)	(33,840)	(34,029)	(32,813)
Other provisions	21	(16,698)	(82)	(16,698)	(82)
		230,558	240,898	246,462	255,692
Total net assets					
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	8,429	6,842	8,429	6,842
Income and expenditure reserve - restricted reserve	23	4,096	3,305	4,096	3,305
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		218,033	230,751	233,937	245,545
Total Reserves		230,558	240,898	246,462	255,692

The Financial Statements were approved by the Governing Body on 29 November 2021 and were signed on its behalf on that date by:

PROFESSOR A. FORSTER,
Vice-Chancellor

J.HAMILTON,
Chair of Council

A. KEEBLE,
Director of Finance

The notes on pages 64 to 111 form an integral part of these Financial Statements.

Consolidated Cash Flow Statement

Year Ended 31 July 2021

	Notes	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus / (deficit) for the year		(12,203)	38,478
Adjustment for non-cash items			
Depreciation	12	14,532	12,991
Revaluation of investment property	12	260	510
(Increase) / decrease in stocks	16	(95)	87
(Increase) in debtors	17	(10,911)	(9,062)
Increase in creditors		20,044	2,161
Increase / (Decrease) in provisions		16,954	(33,923)
Adjustment for investing or financing activities			
Loss on disposal of tangible fixed assets		48	26
Investment income	5	(193)	(662)
Interest payable	9	5,850	5,952
Endowment income		(55)	(25)
Net cash inflow from operating activities		34,231	16,533
Cash flows from investing activities			
Disposal of non-current asset investments		910	0
(Investment in) / withdrawal of short term investments	18	(22,000)	45,000
Investment income	5	193	662
Payments made to acquire tangible fixed assets	12	(14,426)	(20,694)
		(35,323)	24,968
Cash flows from financing activities			
Interest paid	9	(5,850)	(5,952)
Endowment cash received	21	55	25
Repayments of amounts borrowed		(1,984)	(1,871)
		(7,779)	(7,798)
(Decrease)/Increase in cash for the year		(8,871)	33,703
Cash and cash equivalents at beginning of the year		63,887	30,184
Cash and cash equivalents at end of the year		55,016	63,887

The notes on pages 64 to 111 form an integral part of these Financial Statements.

Notes to the Accounts

for the year ended 31 July 2021

	Consolidated	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
1 Tuition fees and education contracts		
Full-time home and EU students	111,205	103,285
Full-time international students	52,780	40,229
Part-time students	1,745	1,484
Non-credit-bearing tuition fees	974	424
NHS contracts	1,226	1,486
Research training support grant	96	98
	168,026	147,006
2 Funding body grants		
Recurrent grants		
Office for Students Teaching Grant	6,623	6,374
Research England Research Grant	9,172	9,251
OfS Capital grant	1,022	599
Research England Capital grant	1,494	1,475
Specific grants		
OfS National Collaborative Outreach Programme	2,385	2,281
OfS Catalyst Fund	41	103
OfS PG Conversion Courses	97	0
OfS Hardship Funding	723	0
OfS Capital Grant (Supporting Student Growth)	260	0
Research England Higher Education Innovation Fund	3,448	3,346
Research England Connecting Capability Fund	1,594	1,754
Research England Strategic Priorities Fund	0	47
Research England Global Challenges Research Fund	512	334
Research England QR Strategic Priorities	73	52
Research England Capital Grant (World Class Laboratories)	1,066	0
RED-UEZ Capital Grant	0	282
	28,510	25,898
3 Research grants and contracts		
Research Councils	18,941	18,950
UK-based charities	1,426	1,817
UK central government, local authorities and health authorities	3,090	3,352
UK industry, commerce and public corporations	1,105	1,095
European Union government bodies	2,010	3,335
Other overseas	1,452	1,238
Other sources	38	3
	28,062	29,790

Notes to the Accounts

for the year ended 31 July 2021

	Consolidated	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
4 Other income		
Other services rendered:		
Income from academic partnerships	3,114	2,860
Other sources	1,151	825
Commercial services income	19,870	29,020
Revenue Grants	1,199	2,049
Rental income	1,027	961
Other income	10,052	10,272
Income from joint ventures	291	306
	36,704	46,293
5 Endowment and investment income		
Investment income on endowments	74	70
Investment income on restricted reserves	52	52
Other investment income	67	540
	193	662
6 Donations and endowments		
New endowments	55	25
New donations with restrictions	124	370
	179	395

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

	Consolidated		University	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Grant and Fee Income				
Grant income from the OfS	11,151	9,357	11,151	9,357
Grant Income from other bodies	17,359	16,541	17,359	16,541
Fee income for taught awards (exclusive of VAT)	162,182	142,264	162,182	142,264
Fee income for research awards (exclusive of VAT)	32,839	34,009	32,839	34,009
Fee income from non-qualifying courses (exclusive of VAT)	1,067	523	1,067	523
Total Grant and Fee income	224,598	202,694	224,598	202,694

Notes to the Accounts

for the year ended 31 July 2021

	Consolidated	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
7 Surplus for the year		
The surplus on continuing operations for the year is made up as follows:		
University's (deficit) / surplus for the year	(8,642)	39,945
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	142	331
Surplus retained by subsidiary undertakings and joint ventures	(1,535)	(1,298)
	(10,035)	38,978

8 Staff costs

Staff Costs:		
Salaries	106,315	102,819
Social security costs	9,930	9,281
Movement on USS provision	810	(33,963)
Other pension costs	24,572	26,664
Total	141,627	104,801

Remuneration Package of the Vice-Chancellor:	Note 8i	£	£
Salary*		305,361	305,361
Medical Insurance		4,437	4,437
Accommodation (non taxable benefit)		24,000	24,000
Cleaning		3,538	3,491
Utilities		1,343	1,771
Pension contributions to USS		69,495	68,617
Salary and Associated Benefits		408,174	407,677

* From 1 April 2020 to 31 July 2020 the VC took a 20% voluntary salary reduction resulting in an actual salary received in 2019-20 of £285,004

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

Compensation for loss of office paid to a member of staff for 2020-21 was £19k (2019-20: £39k)
Other pension costs include pension contributions made by the University on behalf of employees who have elected to reduce their wages and salaries when the University introduced its Pensions Plus scheme in April 2009.

Notes to the Accounts

for the year ended 31 July 2021

8 Staff costs (continued)

Remuneration of other higher paid staff, including pension contributions:

	No.	No.
£100,000 to £104,999	8	8
£105,000 to £109,999	5	5
£110,000 to £114,999	6	4
£115,000 to £119,999	4	3
£120,000 to £124,999	3	2
£125,000 to £129,999	5	4
£130,000 to £134,999	3	3
£135,000 to £139,999	1	1
£140,000 to £144,999	3	2
£145,000 to £149,999	4	6
£150,000 to £154,999	2	0
£155,000 to £159,999	1	1
£160,000 to £164,999	0	0
£165,000 to £169,999	0	0
£170,000 to £174,999	1	1
	46	40

Average staff numbers by major category:

	No.	No.
Academic	907	842
Research	109	109
Senior Support	672	651
Other Support	561	552
General Support	395	408
	2,644	2,562

Key management personnel

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

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Key management personnel compensation	1,368	1,464

During the period August – October 2020 some members of USG took a salary reduction, on average of 3.19%. This totalled a saving of £44k.

Trustees

No Trustee has received any remuneration/waived payments from the group during the year. Ten trustees are also employees of the University but received no additional payment for acting as trustees. The total expenses paid to or on behalf of 25 council members were £113 (2019-20: £2,861 to 25 council members). This represents travel and stationery expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Access and Participation		
Access Investment	875	285
Financial Support	0	0
Disability Support (excluding expenditure included in the two categories above)	211	226
Research and Evaluation	181	96
	1,267	607

These figures are the staff costs associated with our Access and Participation Plan. Our total Access and Participation Plan expenditure, including these staff costs of £1,267k are detailed in Note 11.

Notes to the Accounts

for the year ended 31 July 2021

8i Vice-Chancellor's remuneration package

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

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

Accommodation: The University owns a property on the Colchester Campus known as Lake House. This property was constructed at the same time the University was being established, for the specific purpose of enabling the Vice-Chancellor to be resident on campus. It is a condition of contract of the Vice-Chancellor that he must reside in this property and that it is the Vice-Chancellor's primary residence during his period of office. The Vice-Chancellor is not required to make rental payments for the property but the monthly rental value is pensionable. The pensionable value of property is disclosed above.

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

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

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

Pension contributions: The Vice-Chancellor is eligible for membership of the Universities Superannuation Scheme (USS), the scheme available to the majority of employees of the University. The Vice-Chancellor was an active member of USS throughout the reporting year. This included the continued payment of pension contributions on the Vice-Chancellor's contractual salary during his voluntary salary reduction.

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

The University of Essex participates in the national process of collective bargaining with the trade unions undertaken on behalf of employers. Through this process, an agreed level of percentage

Notes to the Accounts

for the year ended 31 July 2021

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

increase is applied to all points of the nationally agreed pay spine, to reflect the impact of increases in the cost of living on pay. The University's policy is to apply that percentage increase to the pay of all members of staff. In addition, all members of staff have an opportunity to apply for additional pay through the University's annual review process in recognition of exceptional performance. The University only considers cases for additional pay for those who submit an application.

For the year subject to review, no percentage pay increase was agreed through the national collective bargaining arrangements. In addition, for this annual review cycle, the annual pay review process was paused as part of the University's financial sustainability plan. As a consequence, no case for a performance related pay increase was considered at the Remuneration Committee's meeting in November 2020. In combination, these factors meant that the Vice-Chancellor did not receive any pay increase for the year 2020-21 relating to the year 2019-20, and his contractual pay therefore remained unchanged. Between April and October 2020, the Vice-Chancellor took a voluntary pay cut of 20% as detailed in note 8i

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

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

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

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

Notes to the Accounts

for the year ended 31 July 2021

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

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

The University has continued to make progress in relation to the KPIs as set out in the Strategic Plan, in the context of the unprecedented challenges posed by the COVID-19 pandemic which resulted in the University's Council giving particular priority to those KPIs related directly to the University's financial sustainability. Key achievements led by the Vice-Chancellor in the period up to the meeting of the Remuneration Committee in November 2020 included minimising the disruption of the pandemic on students and ensuring continuity of their educational experience, at the same time as ensuring that levels of COVID-19 infections amongst the University's students and staff remained at low levels; implementation of a major cost reduction strategy in consultation with the campus trades unions to enable the University to manage financial risks and minimise risks to job security in advance of the 2020-21 academic year; development of the University's portfolio of courses, including the introduction of new programmes of study with start dates in January being offered for the first time in 2021; and successful delivery of the University's objective of having over 700 independent researchers in post at the census date of 31 July 2020 to be submitted to REF 2021, reflecting the University's commitment to growing the critical mass of its research base. Despite significant challenges, the University recorded a good financial performance in 2019-20 year, with a turnover of £249m and a cash surplus of 6% (£14m). The Vice-Chancellor continues to provide clear and effective leadership of the University, which has been instrumental in ensuring the challenges of the pandemic are being navigated effectively.

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

The head of the provider's basic salary is 9.58 times (2019-20-11.20) the median pay of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration (including other benefits) is 11.06 times (2019-20-12.83) the median total remuneration of all staff, where the median pay is calculated on a full-time equivalent basis for the salaried paid by the provider to its staff.

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

Notes to the Accounts

for the year ended 31 July 2021

	Consolidated	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
9 Other operating expenses		
Books and periodicals	4,648	3,011
Equipment and consumables	3,811	2,271
Food, drink and hospitality	273	784
Gas, water and electricity	5,868	5,793
Cleaning	774	812
Grants to Students' Union	3,637	3,158
Insurance	400	344
Long-term maintenance programme and minor works	1,496	1,286
Other expenses	12,805	9,896
Postage, telephones, printing & stationery	666	633
Professional and consultancy fees	9,411	8,412
Rates and rental of premises	12,658	13,892
Repairs and routine maintenance of estates	19,107	4,519
Research survey fieldwork	8,746	9,549
Scholarships (fee waivers and bursaries)	13,026	11,813
Travel, subsistence and accommodation	104	1,621
IT / AV Equipment	7,858	3,884
Fire safety and security	683	793
Adverts and marketing	1,970	1,352
Agents commission	3,407	2,683
	111,349	86,505
Included within professional, auditor and consultancy fees above are the following amounts receivable by the external auditor:		
Statutory audit fee: £115,200 (2019-20: £90,040)		
US GAAP Conversion of 2018-19 Accounts £NIL (2019-20 £25,000)		
Audit-related assurance services: £15,000 (2019-20: £8,500)		
Taxation advisory services: £56,500 (2019-20: £14,000)		
Depreciation, impairment and amortisation		
Depreciation charge on tangible fixed assets	14,532	12,991
	14,532	12,991
Finance charges		
Bank Interest payable	5,850	5,952
Net charge on pension scheme	228	1,010
	6,078	6,962

Notes to the Accounts

for the year ended 31 July 2021

10 Analysis of total expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Depreciation and Amortisation £'000	Interest paid £'000	2020-21 Total £'000	2019-20 Total £'000
Academic departments and centres	77,321	6,943	52	0	84,316	82,876
Academic services	15,262	14,656	0	0	29,918	23,661
Research grants and contracts	10,815	10,476	395	0	21,686	22,891
Residences and catering	7,789	19,452	2,222	1,551	31,014	31,369
Premises	6,450	8,952	785	0	16,187	15,621
Administration	13,504	3,912	0	0	17,416	17,871
Other services rendered	391	840	0	0	1,231	1,286
General education expenditure	2,646	14,264	0	0	16,910	12,450
Student and staff facilities	5,277	8,859	150	58	14,344	15,259
Early retirements and severances	61	0	0	0	61	72
Other expenses	2,111	22,995	10,928	4,469	40,503	(12,096)
	141,627	111,349	14,532	6,078	273,586	211,261

11 Access and Participation

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Access Investment	1,358	351	1,358	351
Financial Support	2,690	2,979	2,690	2,979
Disability Support	245	257	245	257
Research and Evaluation	183	96	183	96
	4,476	3,683	4,476	3,683

£1,267k (2019-20: £1,173) of these costs are already included in the overall staff costs figures included in the financial statements, see note 8.

Our published access and participation plan can be found at

<https://www.essex.ac.uk/about/governance/access-and-participation-plan>

Notes to the Accounts

for the year ended 31 July 2021

12 Tangible assets

Consolidated	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage Assets £'000	Investment Properties £'000	Total £'000
Cost							
At 1 August 2020	401,329	11,711	59,722	18,914	798	1,140	493,614
Adjustments	0	0	0	0	0	0	0
Additions	482	0	5,266	8,678	0	0	14,426
Transfers	13,213	0	1,186	(14,399)	0	0	0
Disposals	0	0	0	0	0	0	0
Impairment	(48)	0	0	0	0	0	(48)
Revaluations	0	0	0	0	0	(260)	(260)
At 31 July 2021	414,976	11,711	66,174	13,193	798	880	507,732

Depreciation							
At 1 August 2020	71,925	1,557	27,081	0	0	0	100,563
Charge for the year	7,317	48	7,167	0	0	0	14,532
Impairments	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
At 31 July 2021	79,242	1,605	34,248	0	0	0	115,095

Net Book Value							
At 31 July 2021	335,734	10,106	31,926	13,193	798	880	392,637
At 31 July 2020	329,404	10,154	32,641	18,914	798	1,140	393,051

University

Cost							
At 1 August 2020	377,570	11,119	57,722	10,523	798	1,140	458,872
Adjustments	0	0	0	0	0	0	0
Additions	411	0	5,223	8,269	0	0	13,903
Transfers	13,213	0	1,186	(14,399)	0	0	0
Disposals	0	0	0	0	0	0	0
Impairment	(48)	0	0	0	0	0	(48)
Revaluations	0	0	0	0	0	(260)	(260)
At 31 July 2021	391,146	11,119	64,131	4,393	798	880	472,467

Depreciation							
At 1 August 2019	68,671	1,131	25,785	0	0	0	95,587
Charge for the year	6,691	48	7,008	0	0	0	13,747
Transfers	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
At 31 July 2021	75,362	1,179	32,793	0	0	0	109,334

Net Book Value							
At 31 July 2021	315,784	9,940	31,338	4,393	798	880	363,133
At 31 July 2020	308,899	9,988	31,937	10,523	798	1,140	363,285

Notes to the Accounts

for the year ended 31 July 2021

12 Tangible assets (continued)

University Land and Buildings include £48.7m (2019-20: £48.7m) in respect of freehold land which is not depreciated. Included in the cost of fixed assets is aggregated interest capitalised of £2.8m (2019-20: £2.8m).

Additions to University land and buildings in the year includes £8.2m (2019-20: £13.3m) for assets in the course of construction, for which no depreciation charge has been made.

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

On the date of transition to FRS 102, an asset with the value of £3.6 million was transferred from property, plant and equipment to investment property. The valuation was also prepared by Gerald Eve, with an effective date of 1 August 2014 and using Depreciated Replacement Cost and Fair Value equivalent to Market Value methods. This property was revalued at 31 July 2021 using the rate of the average growth in retail buildings in Eastern England.

13 Heritage assets

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

Notes to the Accounts

for the year ended 31 July 2021

14 Investments

	Consolidated		University	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
At 1 August	10,090	9,590	53,211	52,711
(Disposals) / Additions	1,257	500	10,989	500
Revaluations credited to the revaluation reserve	0	0	0	0
At 31 July	11,347	10,090	64,200	53,211
Comprising:				
Equities	11,300	10,043	11,300	10,043
Subsidiary companies:				
University of Essex Knowledge Gateway Holdings Ltd	0	0	37,026	27,794
Universal Accommodation Group Ltd	0	0	2,893	2,893
University of Essex Campus Services Ltd	0	0	1,833	1,333
Wivenhoe House Hotel Ltd	0	0	11,101	11,101
Other investments	47	47	47	47
	11,347	10,090	64,200	53,211

15 Investment in Joint Ventures

Southend-on-Sea Forum Management Limited

	Year Ended 31 July 2020		Year Ended 31 July 2019	
	£'000	£'000	£'000	£'000
Income and expenditure account				
Income		291		306
Expenditure		(291)		(306)
Profit before tax		0		0
Balance sheet				
Fixed assets	0		0	
Current assets	187	187	266	266
Creditors: amounts due within one year	(101)		(199)	
Creditors: amounts due after more than one year	0	(101)	0	(199)
Share of net assets in Southend-on-Sea Forum Management Ltd		86		68

Southend-on-Sea Forum Management Ltd (SoSFML) is a joint venture between University of Essex, Southend-on-Sea Borough Council and South Essex College of Further and Higher Education. The joint venture was established in order to oversee the property management of the Forum building in Southend which is the UK's first integrated academic and public library and combines the modern teaching facilities of South Essex College, the research and learning environment of the University of Essex and the municipal library of Southend-on-Sea Borough Council. For the year ending 31 July 2021 it recorded a surplus of £nil (2019-20: £nil).

During the year, SoSFML Ltd purchased goods and services to the value of £2,266 from the University (2019-20: £3,039) of which £nil was outstanding at 31 July 2021 (2019-20: £nil). SoSFML Ltd provided services to the University to the value of £168k (2019-20: £284k) with a credit of £12k outstanding at 31 July 2021 (2019-20: £nil).

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

Notes to the Accounts

for the year ended 31 July 2021

15 Investment in joint venture (continued)

Total investment in Joint Ventures:

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Total income from joint ventures recognised in the Income Statement		
Income from SoSFML	291	306
Total Income from joint ventures	291	306

Total profit / (loss) from joint ventures recognised in the Income Statement

Profit / (loss) from SoSFML	0	0
Total profit / (loss) from joint ventures	0	0

Share of gross assets and liabilities in joint ventures:

Share of net assets in SoSFML	86	68
Total share of gross assets in joint ventures	86	68

16 Stock

	Consolidated		University	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Stock	284	189	202	119

17 Debtors

	Consolidated		University	
	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Amounts falling due within one year:				
Trade debtors	3,124	585	2,911	318
Student fees	3,389	4,594	3,389	4,594
Research debtors	24,221	14,630	24,221	14,630
Prepayments and accrued income	11,304	10,488	10,469	9,657
Other debtors	102	932	30	30
Amounts due from subsidiary companies	0	0	(71)	434
	42,140	31,229	40,949	29,663

Notes to the Accounts

for the year ended 31 July 2021

18 Investments

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July	31 July	31 July	31 July
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deposits maturing: In one year or less	22,000	0	22,000	0
	22,000	0	22,000	0

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

19 Creditors: amounts falling due within one year

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July	31 July	31 July	31 July
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Secured loans	2,080	1,984	2,080	1,984
Unsecured loans	0	0	0	0
Payments received in advance	14,871	10,768	14,860	10,768
Research grants received on account	38,696	27,361	38,696	27,361
Trade creditors	5,087	3,491	5,063	3,492
Bank Overdraft	0	0	0	0
Social security and other taxation payable	2,760	2,389	2,632	2,315
Accruals and deferred income	11,060	7,860	9,865	6,411
Amounts due to subsidiary companies	0	0	16,760	7,745
	74,554	53,853	89,956	60,076

Notes to the Accounts

for the year ended 31 July 2021

20 Creditors: amounts falling due after more than one year

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July	31 July	31 July	31 July
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Analysis of secured and unsecured loans:				
Due within one year or on demand	2,080	1,984	2,080	1,984
Due between one and two years	2,150	1,984	2,150	1,984
Due between two and five years	7,155	6,898	7,155	6,898
Due in five years or more	68,519	71,022	68,519	71,022
Bond Liabilities	65,000	65,000	65,000	65,000
	144,904	146,888	144,904	146,888
Due within one year or on demand	(2,080)	(1,984)	(2,080)	(1,984)
Due after more than one year	142,824	144,904	142,824	144,904
Other creditors:				
Due between one and two years	5,908	6,043	325	325
Due between two and five years	5,202	5,303	976	976
Due in five years or more	13,265	13,590	13,265	13,889
	24,375	24,936	14,566	15,190
Total	167,199	169,840	157,390	160,094

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

In 2013 the University renegotiated its loan facility with Lloyds. As at 31 July 2021, the University had loans with Lloyds totalling £79.9m (2019-20-19: £82m), repayable by 2043 .

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

Notes to the Accounts

for the year ended 31 July 2021

21 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Total Other £'000
At 1 August 2020	35,079	0	(1,239)	33,840	82
Utilised in year	(1,586)	0	(222)	(1,808)	
Additions in year	2,469	0	0	2,469	16,616
At 31 July 2021	35,962	0	(1,461)	34,501	16,698

University	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Total Other £'000
At 1 August 2020	34,384	0	(1,571)	32,813	82
Utilised in year	(1,558)	0	151	(1,407)	0
Additions in year	2,623	0	0	2,623	16,616
31 July 2021	35,449	0	(1,420)	34,029	16,698

USS and SAUL deficit

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

Notes to the Accounts

for the year ended 31 July 2021

22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Expendable endowments £'000	2021 Total £'000	2020 Total £'000
Balances at 1 August 2020				
Capital	1,552	6,602	8,154	7,787
Accumulated income / (expenditure)	(102)	(1,210)	(1,312)	(908)
	1,450	5,392	6,842	6,879
New endowments	25	30	55	25
Investment income	15	58	73	70
Expenditure	0	(3)	(3)	(474)
	15	55	70	(404)
Increase in market value of investments	310	1,152	1,462	342
At 31 July 2021	1,800	6,629	8,429	6,842
Represented by:				
Capital	1,887	7,784	9,671	8,154
Accumulated income / (expenditure)	(87)	(1,155)	(1,242)	(1,312)
	1,800	6,629	8,429	6,842
Analysis by type of purpose:				
Scholarships and bursaries	1,673	8	1,681	1,352
Prize funds	45	83	128	105
General	82	6,538	6,620	5,385
	1,800	6,629	8,429	6,842
Analysis by asset				
Current and non-current asset investments			7,619	6,869
Cash & cash equivalents			810	(27)
			8,429	6,842

Notes to the Accounts

for the year ended 31 July 2021

23 Restricted Reserves

Reserves with restrictions are as follows:

	Donations	
	2021	2020
	Total	Total
	£'000	£'000
Balances at 1 August 2020	3,305	3,265
New donations	124	370
Investment income	52	53
(Decrease) / increase in market value of investments	706	158
Expenditure	(91)	(541)
	667	(330)
At 31 July 2021	4,096	3,305
Analysis of other restricted funds / donations by type of purpose:		
Scholarships and bursaries	789	672
Prize funds	338	292
General	2,969	2,341
	4,096	3,305
Analysis by asset		
Current and non-current asset investments	3,681	3,174
Cash & cash equivalents	415	131
	4,096	3,305

Notes to the Accounts

for the year ended 31 July 2021

24 Consolidated reconciliation of net debt

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Net debt 1 August	(83,001)	(73,575)
Movement in cash and cash equivalents	15,113	(9,426)
Net debt 31 July 2020	(67,888)	(83,001)
Change in net debt	15,113	(9,426)

	Consolidated Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Analysis of net debt:		
Cash and cash equivalents	77,016	63,887
Borrowings: amounts falling due within one year Secured loans	(2,080)	(1,984)
	74,936	61,903
Borrowings: amounts falling due after more than one year Secured loans	(142,824)	(144,904)
	(142,824)	(144,904)
Net Debt	(67,888)	(83,001)

Notes to the Accounts

for the year ended 31 July 2021

25 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2021:

	Consolidated		University	
	Year Ended 31 July 2021	Year Ended 31 July 2020	Year Ended 31 July 2021	Year Ended 31 July 2020
	£'000	£'000	£'000	£'000
Commitments contracted for	9,095	9,555	9,087	9,497
Authorised but not contracted for	22,354	39	9,358	0
	31,449	9,594	18,445	9,497

26 Lease obligations

Total rentals payable under operating leases:

	31 July 2021 Consolidated			Year Ended 31 July 2020
	Land and Buildings	Plant and Machinery	Total	£'000
	£'000	£'000	£'000	£'000
Payable during the year	686	176	862	686
Future minimum lease payments due:				
Not later than 1 year	686	173	859	862
Later than 1 year and not later than 5 years	1,246	302	1,548	2,220
Later than 5 years	3,161	0	3,161	3,348
Total lease payments due	5,093	475	5,568	6,430

Leases are for land and buildings.

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

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

During 2020-21 the University leased office space at the Knowledge Gateway Parkside development.

Notes to the Accounts

for the year ended 31 July 2021

27 Disclosure of related party transactions

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

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

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

Due to the nature of the relationship between the entities, the University of Essex Students' Union is considered to be a related party. In the year to 31 July 2021 the University paid the Union a revenue grant of £2.896m (2019-20: £2.453m). The Union's income and expenditure account shows the following:

	Year Ended 31 July 2021	Year Ended 31 July 2020
	£'000	£'000
Income	2,133	2,723
Expenditure	(2,271)	(2,693)
Operating surplus before and after transfers from / (to) reserves	(138)	30

Ms Molly Purcell was a Council member during 2020-21 who also sat on Essex Students' Union Board.

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

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

The Director of Finance received £25.3k during the course of the year from UMAL Ltd, a company which provides cover for terrorism risk, for serving as a Director of that company.

Notes to the Accounts

for the year ended 31 July 2021

28 Pension Schemes

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

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

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

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

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

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

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

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
Contribution to USS	24,108	23,096
Contribution to LGPS	243	233
Contribution to UEPS	0	0
Contribution to SAUL	0	3,123
Contribution to NEST	0	0
Contribution to personal pensions	0	0
LGPS additional University costs to fund past service deficiency	800	1,336
USS additional University costs to fund past service deficiency	810	(33,963)
SAUL additional University costs to fund past service deficiency	0	0
LGPS actuarial adjustment to pension costs	(579)	(1,124)
Total pension cost	25,382	(7,299)

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

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
LGPS pension liability	1,461	1,239
USS pension liability	(35,962)	(35,079)
SAUL pension liability	0	0
Total pension liability	(34,501)	(33,840)

Notes to the Accounts

for the year ended 31 July 2021

28 Pension Schemes (continued)

Universities Superannuation Scheme (USS)

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

The latest available full actuarial valuation of the scheme was at 31 March 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.

Since the institution cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which 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%.

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

	At 31 July 2021	At 31 July 2020
Discount rate	0.89%	2.59%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.50%	2.02%

Notes to the Accounts

for the year ended 31 July 2021

28 Universities Superannuation Scheme USS (continued)

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

Male member's mortality	97.6% of S1NA ("light") YoB tables – no age rating
Female member's mortality	102.7% of S1NA ("light") YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2016 projections with a 1.6% pa long term rate for males and 1.6% for females, were also adopted. The current life expectancies on retirement at age 65 are:

	At 31 July 2021	At 31 July 2020
Males currently aged 65	24.6 years	24.4 years
Females currently aged 65	26.1 years	25.9 years
Males currently aged 45	26.6 years	26.3 years
Females currently aged 45	27.9 years	27.7 years
Scheme assets	£63.7 bn	£63.7 bn
Total scheme liabilities	£67.3 bn	£67.3 bn
FRS 102 total scheme deficit	£3.6 bn	£3.6 bn
FRS 102 total funding level	95%	95%

In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the Universities Superannuation Scheme (USS). The recovery plan in the 2014 actuarial valuation requires employers to contribute 2.1% of salaries towards repairing the deficit over a period of 17 years, of which 14 years remain. Details of this provision, which has been discounted at a rate of 2.21% as at 31 July 2018, are included in note 21 to the financial statements.

The 20-21 provision is based on the 2018 valuation, however since the year end a subsequent valuation for 2020 was completed. The impact of this is disclosed as a post balance sheet event, see note 31.

Notes to the Accounts

for the year ended 31 July 2021

28 Local Government Pension Scheme (LGPS)

The Essex County Council LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The employer contribution rate for 2020-21 was 23.9% (2019-20: 23.9%).

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

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

Last actuarial valuation	31-Mar-19
Actuarial method	Projected Unit
Pension increases	2.6% per annum
Salary scale increases	3.6% per annum
Market value of assets at date of last valuation (whole fund)	£7,027 million

Actuarial Assumptions

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

	At 31 July 2021	At 31 July 2020
Financial assumptions	%	%
Rate of increase in salaries	3.85	3.30
Rate of increase in pension payments	2.85	2.30
Expected return on assets	20.20	15.00
Discount rate for liabilities	1.55	1.25
CPI assumptions	2.85	2.30

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

	At 31 July 2021	At 31 July 2001
Financial assumptions	%	%
Rate of increase in salaries	3.80	3.25
Rate of increase in pension payments	2.80	2.25
Expected return on assets	20.20	15.00
Discount rate for liabilities	1.55	1.30
CPI assumptions	2.80	2.25

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2021 is estimated to be 20.20%. The actual return on Fund assets over the year may be different from the estimated return. Management have relied on the fund administrators to calculate return on the investments:

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

	At 31 July 2021	At 31 July 2020
Split of assets between investment categories		
Equities	64.00	62.00
Government Bonds	3.00	4.00
Other Bonds	5.00	6.00
Property	7.00	8.00
Cash	3.00	3.00
Alternative assets	11.00	12.00
Other managed funds	8.00	6.00

Notes to the Accounts

for the year ended 31 July 2021

28 Local Government Pension Scheme (LGPS) (continued)

Expected rate of return on assets in the scheme

	Consolidated 31 July 2021 £'000	University 31 July 2021 £'000	Consolidated 31 July 2020 £'000	University 31 July 2020 £'000
Estimated asset share	82,062	75,829	69,602	64,292
Present value of scheme liabilities	(66,922)	(61,241)	(68,379)	(62,721)
Changes in effect of asset ceiling	(13,679)	(13,168)	16	0
Deficit in the scheme	1,461	1,420	1,239	1,571
	123%	124%	102%	103%

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

Demographic/Statistical assumptions

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

Mortality assumptions as at 31 July 2021 have not been updated to reflect the potential effects of COVID-19, it is not possible to draw any meaningful conclusions. This will be monitored in future periods and will be updated as appropriate.

	At 31 July 2021 CMI 2020	At 31 July 2020 CMI 2018
Life expectancy:		
Male current pensioner aged 65	21.6 years	21.8 years
Female current pensioner aged 65	23.6 years	23.8 years
Male future pensioner aged 65	22.9 years	23.2 years
Female future pensioner aged 65	25.1 years	25.2 years

Notes to the Accounts

for the year ended 31 July 2021

28 Local Government Pension Scheme (LGPS) (continued)

	Consolidated At 31 July 2021 £'000	University At 31 July 2021 £'000	At 31 July 2020 £'000
Amounts recognised in the profit and loss statement are:			
Service cost	506	483	454
Net interest on the defined liability	(21)	(26)	(80)
Administration expenses	45	42	42
Total operating charge	530	499	416
Re-measurements in other comprehensive income			
Return on Fund assets in excess of interest	13,056	12,065	877
Change in financial assumptions	(1,853)	(1,619)	(4,765)
Change in demographic assumptions	901	834	92
Other actuarial gains / losses	0	0	1,429
Experience gain / (loss) on defined benefit obligation	1,252	1,158	(452)
Changes in effect of asset ceiling	(13,679)	(13,168)	0
Remeasurement of the (defined liability) / net assets	(323)	(730)	(2,819)
Movements in deficit during the year			
Deficit in scheme at 1 August	1,239	1,571	3,186
Movements in the year:			
Current service charge	(506)	(483)	(454)
Contributions by employer including unfunded	1,091	1,078	1,620
Net interest on the defined liability	21	26	80
Liabilities assumed on settlements	0	0	0
Return on assets less interest	13,056	12,065	877
Actuarial loss	300	373	(3,696)
Settlement and Curtailment	0	0	0
Deferred Tax Asset	(16)	0	0
Administration expenses	(45)	(42)	(42)
Changes in effect of asset ceiling	(13,679)	(13,168)	0
Deficit in scheme at 31 July	1,461	1,420	1,571

The asset ceiling limits the net defined funded benefit asset to be the projected employer service cost over the expected active membership of the Fund, less the certified employer contributions, discounted at the accounting discount rate as at 31 July 2021.

Notes to the Accounts

for the year ended 31 July 2021

28 Local Government Pension Scheme (LGPS) (continued)

	Consolidated	University	
	At	At	At
	31 July 2021	31 July 2021	31 July 2020
	£'000	£'000	£'000
Change in benefit obligation during the period to 31 July			
At beginning of year	68,379	62,721	58,422
Current service cost	506	483	454
Interest cost on pension liabilities	843	770	1,144
Change in financial assumptions	1,853	1,619	4,765
Change in demographic assumptions	(901)	(834)	(92)
Experience (gain) / loss on defined benefit obligation	(1,252)	(1,158)	452
Estimated benefits paid net of transfers in	(2,530)	(2,381)	(2,440)
Past service costs, including curtailments	0	0	0
Contributions by Scheme participants	67	64	59
Unfunded pension payments	(43)	(43)	(43)
Changes in effect of asset ceiling	0	0	0
At end of year	66,922	61,241	62,721
Analysis of movement in the market value of the scheme assets			
At beginning of year	69,602	64,292	61,608
Interest on assets	864	796	1,224
Return on assets less interest	13,056	12,065	877
Other actuarial gains / (losses)	0	0	1,429
Administration expenses	(45)	(42)	(42)
Contributions by employer including unfunded	1,091	1,078	1,620
Contributions by Fund participants	67	64	59
Estimated benefits paid plus unfunded net of transfers in	(2,573)	(2,424)	(2,483)
At end of year	82,062	75,829	64,292

Notes to the Accounts

for the year ended 31 July 2021

28 Superannuation Arrangements of the University of London (SAUL)

General description of the pension scheme

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

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

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

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

Funding Policy

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

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

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

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

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

Accounting Policy

The University of Essex is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2021 was £4,639 million representing 109% of the estimated liabilities.

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

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

Notes to the Accounts

for the year ended 31 July 2021

29 Subsidiary undertakings

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

Company	Principal Activity	At	At
		31 July 2021 £1 Shares	31 July 2020 £1 Shares
University of Essex Enterprises	Acquisition, protection and licensing of intellectual property from the University	2	2
Wivenhoe House Hotel Ltd	Development and operation of a hotel school	11,100,620	11,100,620
University of Essex Campus Services Ltd	Management of commercial activities at the University	1,833,584	1,333,586
University of Essex Knowledge Gateway Holdings Ltd	Holding land on behalf of the University for development as a Research Park	37,025,955	27,793,955
University of Essex Knowledge Gateway Ltd	Development and marketing of a Research Park	28,885,277	19,653,277
University of Essex Environmental Facilities Ltd	Dormant throughout the year	100,000	100,000
East 15 Acting School Ltd	Dormant throughout the year	2	2
University of Essex (Elmstead Road) Ltd	Dormant throughout the year	2	2
Universal Accommodation Group Ltd	Holding land on which student accommodation is located	1	1
Eastern HE Cost Sharing Ltd	Provision of internal audit services	100	100
SEA Essex Sdn. Bhd. (Registered in Malaysia)		0.18	0

Trading results of wholly owned subsidiaries:

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
University of Essex Enterprises Ltd*	8	24
Wivenhoe House Hotel Ltd*	(517)	(469)
University of Essex Campus Services Ltd*	(1,103)	(1,064)
University of Essex Knowledge Gateway Holdings Ltd*	84	(3)
Universal Accommodation Group Ltd*	134	173
University of Essex Knowledge Gateway Ltd*	2	38
Eastern HE Cost Sharing Ltd	0	0
SEA Essex Sdn. Bhd. (Registered in Malaysia)	(1)	3
	(1,393)	(1,301)

*Trading results before tax and gift aid payments.

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

Notes to the Accounts

for the year ended 31 July 2021

30 Agency Arrangements

	University	
	2020-21	2019-20
	£'000	£'000
NHS Bursaries		
Payments received from NHS organisations	0	0
Disbursed to students	0	0
Balance unspent at 31 July	0	0

These funds are available solely for students; the University acts only as the paying agent. The income and the related disbursements are therefore excluded from the Income & Expenditure Account.

OfS Teaching Grant		
Payments received from OfS	39	39
Payments made to partner institutions	(39)	(39)
Balance unspent at 31 July	0	0

Research England Research Grant		
Payments received from Research England	368	261
Payments made to partner institutions	(368)	(261)
Balance unspent at 31 July	0	0

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

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

Notes to the Accounts

for the year ended 31 July 2021

31 Post Balance Sheet Events

Since the year end, following the completion of the USS pension 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £105m, an increase of £70m.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. The impact of this would be an increase in the provision to £166m, but negotiations continue and the possibility of an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements			2020-21		2019-20			
			£'000	FX rate USD: GBP	\$'000	\$'000		
Statement of Financial Position								
1	Cash and cash equivalents	Face of balance sheet – Cash and cash equivalents	55,016	1.43				
	Investments	Face of balance sheet – Investments	22,000					
	SUM		77,016		1.43	109,779	85,183	Lease right of use - Line 9
2	Accounts receivable, net	Note 17 Trade and Other Debtors, sum of;		1.43				
		– Trade debtors	3,124					
		– Other debtors	102					
		– Student debtors	3,389					
		– Research grant debtors	24,221					
		– Research grant work in progress						
		– Other debtors due after more than 1 year						
		Minus Related party receivable (4)	0					
	SUM		30,836	1.43	44,095	27,655	A Pre-implementation	0 Remove from assets

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

		2020-21		2019-20			
Source in FRS 102 Financial Statements		£'000	FX rate USD: GBP	\$'000	\$'000		
3	Prepaid expenses – including stock	Note 17 Trade and Other Debtors – Prepayments and accrued income	11,304				
		Face of balance sheet – Stock	284	11,588	1.43	16,571	14,236
						B	Post-implementation 0
4	Related party receivable	Note 31 related party transactions					0
5	Contributions receivable, net	N/A					0
6	Student loans receivable, net	N/A					0
7	Investments	Face of balance sheet (NOTE 14 – Investments)	47				
		Face of balance sheet (NOTE 14 – Endowment Assets)	11,300				
		Face of balance sheet – Investment in Joint Venture	86				
		Face of balance sheet – Investment Properties	880				
		SUM		12,313	1.43	17,608	15,064
						A	Pre-implementation 0 Remove from liability

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements			2020-21		2019-20	
			£'000	FX rate USD: GBP	\$'000	\$'000
8	Property, plant and equipment, net	0				
	Face of balance sheet – Intangible Assets	0				
	Minus finance lease asset value (9)	0				
	Face of balance sheet – Tangible Assets	390,959				
	Face of balance sheet – Heritage Assets	798				
	SUM	391,757	1.43	560,213	522,548	B Post-implementation 0
9	Lease right-of-use asset, net	0		0		0
	Asset equal in value to Finance lease liability (26)					
10	Goodwill	0		0		
11	Deposits	0		0		

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2020-21		2019-20			
		£'000	FX rate USD: GBP	\$'000	\$'000		
12	Total Assets	SUM	523,510		748,619	664,685	Net Property plant and equipment
							A Pre-implementation PPE
13	Line of credit – short term	N/A	1.43	0			End balance on last financial statement prior to implementation of regulations, net of depreciation and disposals
14	Line of credit – short term for CIP	N/A	1.43	0			

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

		2020-21		2019-20						
Source in FRS 102 Financial Statements		£'000	FX rate USD: GBP	\$'000	\$'000					
15	Accrued expenses/ Accounts payable	Note 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR, sum of;				B	Post implementation PPE	Purchased by obtaining debt		
	– Trade creditors	5,087					Vehicles	0		
	– Payments in advance	14,871					Furniture	0		
	– Research grants received in advance	38,696								
	– Trade creditors									
	SUM	58,654	1.43	83,875	55,493		Computers	0		
16	Deferred revenue	Note 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – Deferred income	11,060	1.43	15,816	10,480	C	Construction in Progress	18,866	
17	Post-employment and pension liability	Face of balance sheet – Pension provisions	34,501	1.43	49,336	45,120	D	Post implementation PPE	83,882	PPE with no outstanding debt
18	Line of credit-operating	N/A	0	1.43	0					
								<u>560,213</u>		

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements			2020-21		2019-20	
			£'000	FX rate USD: GBP	\$'000	\$'000
19	Other liabilities	Note 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – Social security and other taxation payable	2,760			
		Face of balance sheet – Other provisions	16,698			
		Note 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – Other	24,375			
19	Other liabilities	SUM	43,833	1.43	62,681	36,543
20	Notes payable	Note 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – Loans	142,824			
		Note 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – Current element of long-term liabilities	2,080			
		SUM	144,904	1.43	207,213	195,851

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2020-21		2019-20	
		£'000	FX rate USD: GBP	\$'000	\$'000
21	Lease right-of-use asset liability				
	Note 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR – Obligations under finance leases less term deposits for repayment				
	Note 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR – Obligations under finance leases less term deposits for repayment				
	SUM	0	1.43	0	

Long term debt for long term purposes

A Pre-implementation
LTD

End balance
on last
financial
statements
prior to
implementation
of regulations,
net of
repayments
207,213

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements			2020-21		2019-20					
			£'000	FX rate USD: GBP	\$'000	\$'000				
22	Line of credit for long term purposes	N/A		1.43	0		B	Post implementation LTD	0	Lessor of outstanding debt of each asset or value of asset
23	Total Liabilities	SUM	292,952	1.43	418,921	343,487		Vehicles	0	
24	Net Assets without Donor Restrictions	CALC: Total Net Assets (31) – Total Net Assets with Donor Restrictions (30)	218,033	1.43	311,787	307,669		Furniture	0	
	Net Assets with Donor Restrictions			1.43				Computers	0	
25	Annuities	N/A		1.43	0		C	Construction in Progress – debt	0	
26	Term endowments	Note 22 Endowment Reserves – Restricted Expendable	6,629	1.43	9,479	7,189	D	LTD not for purchase PPE	0	than assets value
27	Life income funds	N/A		1.43	0					
									207,213	

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2020-21		2019-20		
		£'000	FX rate USD: GBP	\$'000	\$'000	
28	Other restricted by purpose and time	Face of balance sheet – Income and expenditure reserve – restricted reserve	4,096	1.43	5,857	4,407
29	Restricted in perpetuity	Note 22 Endowment Reserves – Restricted Permanent	1,800	1.43	2,574	1,933
30	Total Net Assets with Donor Restrictions	SUM	12,525		17,911	13,529
31	Total Net Assets	CALC: Total Assets (12) – Total Liabilities (23)	230,558		329,698	321,198
32	Total Liabilities and Net Assets	CALC: Total Net Assets (31) + Total Liabilities (23)	523,510		748,619	664,685

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2020-21		2019-20	
		£'000	FX rate USD: GBP	\$'000	\$'000
Changes in Net Assets without Donor Restrictions					
Operating Revenue and Other Additions:					
33	Tuition and fees, net	Face of I&E – Tuition Fee and education contracts			
			168,026	1.43	240,277
					196,008
34	Contributions			1.43	0
	Grants and contracts – including research	Face of I&E – Funding Body Grants	28,510	1.43	
		Face of I&E – Research grants and contracts	28,062	1.43	
		SUM	56,572	1.43	80,898
					74,251
	Private gifts and grants	Note 6 Donations and endowments		1.43	
			0	1.43	0
					0
	Other revenues	Face of I&E Less share of Income from Joint Venture	(291)	1.43	
		Face of I&E – Other Income	36,704	1.43	
		SUM	36,413	1.43	52,071
					61,316

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

		2020-21		2019-20	
		£'000	FX rate USD: GBP	\$'000	\$'000
	Source in FRS 102 Financial Statements				
Investment income	Note 5 Investment Income – Endowments				
	Note 5 Investment Income – Restricted Reserves				
Investment income	Note 5 Investment Income – Other interest receivable	67	1.43	96	720
35	Investment return appropriated for spending		1.43	0	
36	Auxiliary enterprises		1.43	0	
37	Net assets release from restriction		1.43	0	
38	Total Operating Revenue and Other Additions	261,078		373,342	332,295

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements			2020-21		2019-20	
			£'000	FX rate USD: GBP	\$'000	\$'000
Operating Expenses and Other Deductions						
39	Education and research expenses	Face of I&E – Staff costs	140,817			
		Face of I&E – Other operating expenditure	111,349			
		Minus endowment spend – Note 22 Endowment reserves – Expenditure	(3)			
		Minus restricted spend – Note 23 Restricted reserves – Expenditure	(91)			
		SUM	252,071	1.43	360,462	299,007
40	Depreciation and amortization	Face of I&E – Depreciation	14,532	1.43	20,781	17,321
41	Interest expense	Face of I&E – Interest and other finance costs	6,078	1.43	8,692	9,283

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

		2020-21		2019-20		
Source in FRS 102 Financial Statements		£'000	FX rate USD: GBP	\$'000	\$'000	
42	Auxiliary enterprises	Face of I&E – Taxation	0	1.43	0	
43	Total Operating Expenses - excluding change in pension prov	SUM	272,681	1.43	389,935	325,611
44	Change in Net Assets from Operations	CALC: Total Operating Revenue and Other Additions Operating Expenses and Other Deductions (38) – Total Operating Expenses – excluding change in pension provision (43)	(11,603)		(16,594)	6,684
	Non-Operating Changes					
45	Investments, net of annual spending, gain(loss)	Face of I&E – Gain/ (loss) on investment	0	1.43	0	

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2020-21		2019-20	
		£'000	FX rate USD: GBP	\$'000	\$'000
46	Other components of net periodic pension costs	N/A	1.43	0	
47	Pension-related changes other than net periodic pension costs	Face of I&E – Staff costs – movement on USS pension provision	1.43	(1,158)	45,284
48	Change in value of split-interest agreements	N/A	1.43	0	
	Loss on investments	N/A	1.43	0	
49	Other gains (losses)	Face of I&E – Increase in the value of Joint Venture	1.43	25	(30)
		Face of I&E – Actuarial loss in respect of pension scheme	1.43	(462)	(4,103)

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements		2020-21		2019-20		
		£'000	FX rate USD: GBP	\$'000	\$'000	
50	Sale of fixed assets, gains (losses)	Face of I&E – Gain on disposal of fixed assets	0	1.43	0	
Total Non-Operating Changes		SUM	(1,115)		(1,595)	41,151
51	Change in Net Assets without Donor Restrictions	CALC: Change in Net Assets from Operations (44) + Total Non-operating Changes	(12,718)		(18,188)	47,835
	Change in Net Assets with Donor Restrictions					
52	Contributions	Face of I&E – Endowment comprehensive income for the year				1,587
		Face of I&E – Restricted comprehensive income for the year				791
		SUM	2,378	1.43	3,401	4

Notes to the Accounts

for the year ended 31 July 2021

32 US Department of Education Supplementary Schedule

Source in FRS 102 Financial Statements	2020-21		2019-20	
	£'000	FX rate USD: GBP	\$'000	\$'000
53 Net assets released from restriction		1.43	0	
54 Changes in Net Assets with Donor Restrictions	2,378		3,401	4
55 Change in Net Assets	(10,340)		(14,788)	47,839
56 Net Assets, Beginning of Year	240,898	1.43	344,484	273,360
31 Net Assets, End of Year	230,558		329,696	321,199

Composite Score	Ratio	Strength Factor	Weight	Composite Score
Primary Reserve Ratio	0.0359	0.3585	40%	0.14
Equity Ratio	0.4406	2.6437	40%	1.06
Net Income Ratio	(0.049)	(0.218)	20%	(0.04)
				1.16
Total Composite Score - Rounded to one decimal place				1.2

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