



University of
East London

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FINANCIAL STATEMENTS 2021/22

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Corporate Governance

The following statement is provided to enable readers of the Annual Financial Statements of the University for the financial year 2021/22 to obtain a better understanding of the governance, management and legal structure of the institution.

Principles

The University endeavours to conduct its business in accordance with the seven “Nolan Principles” identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and in accordance with the guidance to universities which has been provided by the Committee of University Chairs in the HE Code of Governance 2020.

Legal Status

The University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in its Instrument and Articles of Government. Its Instrument of Government was approved by the Privy Council on 5 March 1993. The current version of the Articles came into operation on 11 July 2006.

The University is an exempt charity whose charitable affairs are regulated by the Office for Students, together with UK Research and Innovation, which were established in January 2018 by the Higher Education and Research Act 2017 and started operating in April 2018. The University operates on campuses in Stratford and at Docklands in East London.

Governance

The Articles require the University of East London to have a Board of Governors and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities for 2021/22. The Board of Governors is the University’s governing body, which is responsible for ensuring the effective oversight and management of the institution and for planning its future development.

The Board has primary responsibility for all the affairs of the institution, including setting its general strategic direction as follows:

1. To set, and agree, the mission, strategic vision, and values of the institution, with the University Executive Board.
2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff and current and future students.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
4. Where the Board of Governors choose to delegate authority to the Vice Chancellor and President for the academic, corporate, financial, estate and human resource management of the institution, to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and for managing conflicts of interest.
6. To establish processes to monitor and evaluate the performance and effectiveness of the Governing Body itself.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the institution.

9. To appoint the Vice Chancellor and President as the head of the institution and chief executive officer, and to put in place suitable arrangements for monitoring his/her performance.
10. To appoint a Secretary to the Governing Body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
11. To be the employing authority for all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
12. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate.
13. To be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for Health, Safety and Security as Equality, Diversity and Inclusion.
14. To receive assurance that adequate provision has been made for the general welfare of students.
15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
16. To ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.
17. To promote a culture which supports inclusivity and diversity across the institution.
18. To maintain and protect the principles of academic freedom and freedom of speech legislation.
19. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.
20. To observe the duties set out in the OfS Regulatory Framework and to ensure the University's continued compliance with the initial and ongoing conditions of registration.

The Board has a majority of independent members and also includes the Vice-Chancellor and President, up to two teaching members of staff nominated by the Academic Board, one co-opted member of the professional support staff and two co-opted students - the President of the UEL Students' Union and one elected student governor. The Vice-Chancellor and President and the staff members of the Board are paid employees of the University of East London, but no member of the Board receives any reimbursement for the work they do as a Governor. The Board of Governors meets at least five times each academic year and holds an annual 'Development Day', at which it discusses strategy.

In order to operate more transparently and efficiently, the Board revised its Articles and Instrument of Government and approved a set of internal bye-laws in July 2022. They will be subject to regular review and updating.

The Board publishes its minutes on the website to promote transparency in how it carries out its responsibilities. The Board has agreed a Policy on Public Interest Disclosure, which is also published on the University's website. The University maintains a Register of Interests of members of the Board and members of the University Executive Board and other senior managers, which may be consulted by arrangement with the University Secretary, who is the Clerk to the Board. The Clerk provides independent advice on matters of governance to Board members and the University management and staff.

Reporting to the Board of Governors are the Audit and Risk Committee, the Finance and Resources Committee, the Governance and Search Committee and the Remuneration and Staffing Committee. These committees are chaired by, and their membership made up primarily from, the independent members of the Board. Chairs of Committees meet with the Chair of the Board before each Board meeting, and this facilitates effective communication and business planning. The Board has a Transformation Projects Committee, to

conduct due diligence on strategic initiatives formulated by University Executive Board, and an Ethics Advisory Committee to advise on ethical matters and to develop an ethical framework for the University.

Students are represented on the Board of Governors. There is staff governor representation on the Governance and Search Committee. Members of the University Executive Board attend as required.

The Academic Board is responsible for all matters relating to the research, scholarship, teaching and courses at the University, subject to the overall direction of the Board of Governors, drawing its membership entirely from the staff and the students of the institution. Reporting to the Academic Board are a number of key academic committees, all of which have particular roles to play in ensuring the quality of the student experience. Following the Internal Auditors review of academic governance in 2018/19, an effectiveness review was conducted in 2020/21 with the aim of ensuring that the Board of Governors received assurance that academic governance was working effectively within the University. The outcomes of this effectiveness review were partially implemented in 2021/22 and will be completed in 2022/23.

Students are represented on Academic Board and its committees: the Education and Experience Committee, the Careers and Enterprise Committee, the Impact and Innovation Committee and the Equality, Diversity and Inclusion Committee. These committees are responsible for developing, approving and monitoring the key strategies of the University's core academic business. They receive regular reports from Schools and relevant Services and are in turn required to report regularly to the Academic Board. As part of the review of academic governance in 2018/19, a Scheme of Delegation for Academic Board and its committees was drawn up and subsequently approved.

The Governance and Search Committee and the Board review the CUC Code of Governance on an annual basis to ensure compliance is maintained. The Board acknowledges it needs to undertake further work in element 6.3 of the code but is satisfied that compliance is essentially achieved and progress has been made over the course of 2021/22.

In relation to Element 1.4 and the requirement to ensure no member is routinely excluded from discussions, the Board has reconsidered carefully how this is applied in terms of Committee Membership. There is student and staff membership or attendance rights on every University governance committee except for Remuneration and Staffing Committee. The Board has followed the advice of the CUC Remuneration Code and restricted membership to independent board members. Specialist areas such as remunerations, must be determined by expertise and skills and self-evidently staff are not independent of the University's management. There is also a need for continuity needing to appoint members who can serve more than 1-2 years on Remuneration and Staffing Committee.

Management

The Vice-Chancellor and President in addition to being a governor of the Board is the head of the institution and has a general responsibility to the Board of Governors for the organisation, direction and management of the institution. As both chief executive and chief academic officer of the University, the Vice-Chancellor and President exercises considerable influence upon the development of institutional strategy, academic quality, the identification and planning of new developments and the shaping of the institutional ethos. Under the terms of the OfS regulatory framework, the Vice-Chancellor and President is the designated Accountable Officer of the institution and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

The Vice-Chancellor and President is supported by the University Executive Board, which in 2021/22 consisted of the Provost, the Deputy Vice-Chancellor and Chief Finance Officer, the Pro-Vice-Chancellor (Education and Experience) and the Chief Operating Officer, the Pro-Vice-Chancellor (Impact and Innovation), the Pro-Vice-Chancellor (Careers and Enterprise), the Chief Marketing Officer, the Dean of the Office for Institutional Equity, the Director of HR and the University Secretary. The University Executive Board works together with the University Management Board on executive and operational management. The

Provost is responsible for the management of the academic affairs of the University, while the professional and support services are managed by the Deputy Vice-Chancellor and Chief Finance Office, the Chief Marketing Officer, the University Secretary and the Chief Operating Officer and other members of UEB as appropriate. The University Management Board is a wider forum of academic and services managers, including the six Executive Deans of Academic Schools, that also meets on a regular basis.

Responsibilities of the Board

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the institution and enable it to ensure that the financial statements are prepared in accordance with its instruments and articles, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of funding for higher education institutions published by the Office for Students up to 31 July 2022, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University of East London and of the surplus or deficit, cash flow and total recognised gains or losses for that year.

In preparing the financial statements for 2021/22, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University of East London will continue in operation. The Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future. The going concern basis is appropriate for the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Office for Students (OfS) are used only for the purposes for which they have been given and in accordance with the OfS terms and conditions, and the regulatory framework and any other conditions which the OfS may from time to time prescribe;
- ensure that funds from the Education and Skills Funding Agency are used only for the purposes for which they have been given and in accordance with the terms and conditions of the organisation;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University of East London and to prevent and detect fraud; and
- secure the economical, efficient and effective management of the University of East London's resources and expenditure.

Statement on internal control by the Board of Governors

As the governing body of the University of East London, the Board of Governors has responsibility for maintaining a sound system of internal control in support of its policies, aims and objectives. In so doing it has a responsibility to safeguard the public and other funds for which it is responsible, in accordance with the duties assigned to the Board of Governors in the Articles of Government and terms and conditions of funding for higher education institutions with OfS up to 31 July 2022 and its regulatory framework.

The system of internal control is designed to understand and manage, rather than eliminate, the risk of non-achievement of policies, aims and objectives; it can therefore only provide only a reasonable and not an absolute assurance of effectiveness. It is based on an ongoing process to identify the principal risks to the delivery of our policies, aims and objectives, to evaluate the nature and extent of those risks and to ensure they are managed. This process has been in place for the year ended 31 July 2022 and up to the date of approval of the financial statements, the key elements of which are as follows:

- the Board meets at least five times in the year to consider the strategic direction and plans of the University and to monitor performance against those plans using Key Performance Indicators;
- there is clear definition of the responsibilities of, and authority delegated to, committees of the Board and the executive;
- the University's 10-year strategic plan – Vision 2028, adopted by the Board in January 2019, sets the framework of strategic aims and objectives against which risks are assessed and performance is monitored and reported;
- a University Risk Register which assesses key risks at institutional level, is maintained and is reviewed regularly by the University Executive Board and other senior staff as required;
- all Schools and Services have risk registers, which are tested during the annual planning round, as well as forming part of their ongoing management processes;
- the University Risk Register is reviewed at every meeting of the Audit and Risk Committee and by the Board of Governors at least three times a year;
- the Board and its Committees require regular management reports to draw attention to the attendant risks and how they are being managed. The Vice-Chancellor and President is expected to alert the Board to any emergent risks;
- a report on risk management is submitted to the Board annually;
- the Audit and Risk Committee receives regular reports from the independent Internal Auditors on the adequacy and effectiveness of the University's systems of internal control with recommendations, as appropriate, for improvements;
- the work of the internal audit service is informed by an analysis of the operational, business and financial risks to which the University is exposed and upon which internal audit activity for 2021/22 was based;
- members of the University Executive Board are tasked with implementing the various Internal Audit recommendations and reporting progress to the Audit and Risk Committee;
- the Audit and Risk Committee monitors the effectiveness of the systems of internal control on the Board's behalf and provides regular reports to the Board;
- the Internal Auditors provide an annual report to the Board of Governors on internal audit activity within the institution and an opinion on the adequacy and effectiveness of the institution's system of internal control, including internal financial control. The report gave an overall opinion of 'Significant Assurance';
- the Board receives and consider an annual report from the Audit and Risk Committee, which gives assurance on systems for:
 - risk management, control and governance
 - economy, efficiency and effectiveness (value for money)
 - management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, OfS and other bodies.

The University's system of internal financial control is based on the following:

- comprehensive Financial Regulations and Schedule of Delegation, detailing financial controls and procedures, approved annually by the Audit and Risk Committee and Board of Governors;
- detailed annual income, expenditure and capital budgets and cash flow forecasts, involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to appropriate levels of appraisal and review as approved by the Board of Governors.

The review by the Board of the effectiveness of the system of internal control is informed by the work of the internal auditors, KPMG. They still operate to the standards defined in the HEFCE Accountability and Audit Code of Practice (as adopted by the OfS) and submit regular reports on the adequacy and effectiveness of the system of internal controls, together with recommendations for improvement. Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the external auditors in their management letter and other reports.



John Garwood
Chair of the Board
of Governors
8 December 2022



Professor Amanda Broderick
Vice-Chancellor & President
University of East London
8 December 2022

Independent auditor's report to the Governing Body of the University of East London

Opinion

We have audited the financial statements of the University of East London (the 'University') and its two wholly owned subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the consolidated statements of comprehensive income, the consolidated and University statement of changes in reserves, the consolidated and University balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- The financial statements give a true and fair view of the state of the group's and University's affairs as at 31 July 2022 and of the group's and University's surplus, comprehensive income and expenditure and changes in reserves and of the group's cash flows for the year then ended; and
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students

In our opinion, in all material aspects:

- funds from whatever source administered by the University for specific purposes have been properly applied only for those purposes for which they were received, and managed in accordance with relevant legislation;
- funds provided by the OfS, 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 requirements of OfS's Accounts Direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Office for Students requires us to report to you where:

- The group and University's grant and fee income, as disclosed in note 1 to these financial statements, has been materially misstated; or
- The group and University's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Governing Body

As explained more fully in the statement of responsibilities of members of the Governing Body, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Governing Body are responsible for assessing the 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 the members of the Governing Body either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the University through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the University, including the Further and Higher Education Act 1992, funding agreements with the OfS and associated funding rules, OfS regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the University's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Governing Body meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the University's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University's Governing Body, as a body, in accordance with the University's Articles of Governance. Our audit work has been undertaken so that we might state to the University's members 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 University's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

16 December 2022

Consolidated and University Statement of Comprehensive Income and Expenditure

	Notes	2022	2022	*Restated 2021	*Restated 2021
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	158,854	158,854	145,598	145,598
Funding body grants	2	9,497	9,497	14,718	14,718
Research grants and contracts	3	2,231	2,144	2,191	2,142
Other income	4	21,377	22,792	14,100	15,697
Donations	5	15	1,924	-	1,255
Total income		191,974	195,211	176,607	179,410
Expenditure					
Staff costs	6	90,559	90,559	84,525	84,525
Restructuring costs	7	345	345	(1,037)	(1,037)
Other operating expenses	9	80,853	84,090	63,528	66,331
Amortisation	11	1,950	1,950	1,016	1,016
Depreciation	12	6,241	6,241	4,445	4,445
Impairment on assets	12	-	-	1,944	1,944
Interest and other finance costs	8	1,839	1,839	2,016	2,016
Total expenditure		181,787	185,024	156,437	159,240
Surplus/(Deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates.		10,187	10,187	20,170	20,170
(Loss) on disposal of fixed assets		(1)	(1)	(471)	(471)
Surplus/(Deficit) before tax		10,186	10,186	19,699	19,699
Taxation	10	-	-	-	-
Surplus/(Deficit) for the year		10,186	10,186	19,699	19,699
Actuarial gain in respect of pension schemes	25	85,973	85,973	26,228	26,228
Total comprehensive income for the year		96,159	96,159	45,927	45,927
Represented by:					
Restricted comprehensive income for the year	18	-	-	9	9
Unrestricted comprehensive income for the year		96,159	96,159	45,918	45,918
		96,159	96,159	45,927	45,927

All items of income and expenditure relate to continuing activities.

*See Note 26 for details of the restatement

Consolidated and University Statement of Changes in Reserves

	Notes	Restricted	*Restated Unrestricted	Revaluation reserve	Total
		£'000	£'000	£'000	£'000
Consolidated					
Balance at 1 August 2020		60	(68,382)	55,277	(13,045)
Surplus for the year		-	19,699	-	19,699
Actuarial gain for the year		-	26,228	-	26,228
Transfers between revaluation and income and expenditure reserve		-	93	(93)	-
Release of restricted funds spent in year	18	(9)	9	-	-
Total comprehensive income for the year		(9)	46,029	(93)	45,927
Balance at 1 August 2021		51	(22,353)	55,184	32,882
Surplus for the year		-	10,186	-	10,186
Actuarial gain for the year		-	85,973	-	85,973
Transfers between revaluation and income and expenditure reserve		-	85	(85)	-
Release of restricted funds spent in year	18	-	-	-	-
Total comprehensive income for the year		-	96,244	(85)	96,159
Balance at 31 July 2022		51	73,891	55,099	129,041

		Restricted	*Restated Unrestricted	Revaluation reserve	Total
		£'000	£'000	£'000	£'000
University					
Balance at 1 August 2020		60	(68,399)	55,277	(13,062)
Surplus for the year		-	19,699	-	19,699
Actuarial gain for the year		-	26,228	-	26,228
Transfers between revaluation and income and expenditure reserve		-	93	(93)	-
Release of restricted funds spent in year	18	(9)	9	-	-
Total comprehensive income for the year		(9)	46,029	(93)	45,927
Balance at 1 August 2021		51	(22,370)	55,184	32,865
Surplus for the year		-	10,186	-	10,186
Actuarial gain for the year		-	85,973	-	85,973
Transfers between revaluation and income and expenditure reserve		-	85	(85)	-
Release of restricted funds spent in year	19	-	-	-	-
Total comprehensive income for the year		-	96,244	(85)	96,159
Balance at 31 July 2022		51	73,874	55,099	129,024

*See Note 26 for details of the restatement

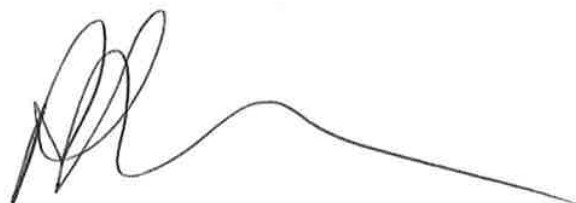
Consolidated and University Statement of Financial Position

	Notes	2022 Consolidated £'000	2022 University £'000	*Restated 2021 Consolidated £'000	*Restated 2021 University £'000
Non-current assets					
Intangible assets	11	8,721	8,721	7,180	7,180
Tangible assets	12	172,293	172,293	157,350	157,350
Investments	13	34	234	34	234
		181,048	181,248	164,564	164,764
Current assets					
Trade and other receivables	14	34,724	36,425	18,157	19,313
Cash and cash equivalents	19	111,269	107,157	66,182	62,633
		145,993	143,582	84,339	81,946
Less: Creditors: amounts falling due within one year	15	(128,124)	(125,930)	(63,450)	(61,274)
Net current assets		17,869	17,652	20,889	20,672
Total assets less current liabilities		198,917	198,900	185,453	185,436
Creditors: amounts falling due after more	16	(39,865)	(39,865)	(39,627)	(39,627)
Provisions					
Pension provisions	25	(29,936)	(29,936)	(112,944)	(112,944)
Other provisions	17	(75)	(75)	-	-
Total net Assets /(Liabilities)		129,041	129,024	32,882	32,865
Restricted Reserves					
Income and expenditure reserve restricted	18	51	51	51	51
Unrestricted Reserves					
Income and expenditure reserve unrestricted		73,891	73,874	(22,353)	(22,370)
Revaluation reserve		55,099	55,099	55,184	55,184
		128,990	128,973	32,831	32,814
Total Reserves		129,041	129,024	32,882	32,865

*See Note 26 for details of the restatement



John Garwood
Chair of the Board
of Governors
8 December 2022



Professor Amanda Broderick
Vice-Chancellor & President
University of East London
8 December 2022

Consolidated Statement of Cash Flows

Year ended 31 July 2022

Cash flow from operating activities	Notes	2022 £'000	*Restated 2021 £'000
Surplus/(Deficit) for the year before tax		10,186	19,699
Adjustment for non-cash items			
Depreciation	12	6,241	4,445
Amortisation of intangibles	11	1,950	1,016
Impairment of assets		-	1,944
Release of capital grant	2 & 4	(2,174)	(2,997)
Exchange differences	8	(34)	(157)
Increase in debtors		(16,748)	(3,163)
Increase in creditors		62,747	5,984
Pension costs less contributions payable		1,190	1,418
Increase in other provisions	17	75	-
Adjustment for investing or financing activities			
Interest payable	8	1,839	2,016
Loss on the sale of fixed assets		1	541
Net cash inflow from operating activities		65,273	30,746
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	(71)
Capital grants receipts		2,427	962
Investment income		181	22
Payments made to acquire fixed assets		(20,417)	(11,786)
Payments made to acquire intangible assets		(2,296)	(3,465)
Net cash (outflow) from investing activities		(20,105)	(14,338)
Cash flows from financing activities			
Facility cost / Interest paid	8	(30)	(49)
Repayments of amounts borrowed		(51)	(131)
Net cash (outflow) from financing activities		(81)	(180)
Increase in cash and cash equivalents in the year		45,087	16,228
Cash and cash equivalents at beginning of the year	19	66,182	49,954
Cash and cash equivalents at end of the year	19	111,269	66,182

The 2021 Increase in Provision of £203k was moved to Increase in Creditors due to a presentational change to Staff Holiday Accrual from Provision for Liabilities in Note 17, to Creditors due within one year.

*See Note 26 for details of the restatement

Statement of principal accounting policies

1. General information

The University of East London is registered with the Office for Students in England. The registered office is University Way, Docklands Campus, London E16 2RD.

2. Statement of compliance

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

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

3. Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

4. Basis of consolidation

The Consolidated and Institution financial statements have been prepared under the historical cost convention. The consolidated financial statements incorporate the financial statements of the university and its subsidiary undertakings for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include those of the University of East London Students' Union as it is an independent association with separate control. The grant to the Students' Union is disclosed in Note 9. The financial statements of our subsidiaries are prepared in accordance with the requirements of the Companies Act 2006.

5. Income recognition

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

i) Tuition Fee income

Tuition Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure 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.

ii) Investment income

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

iii) Agents arrangements

Agency arrangements The University acts as an agent in the collection and payment of funds received from some collaborative partners. Receipts from students and subsequent payments to partners are excluded from the statement of comprehensive income and expenditure account. The University also acts as an agent in the collection and payment of training bursary to students under DfE (ITT and SKE) and NHS programmes. The administrative fees received from DfE (ITT and SKE) and NHS are included in the statement of comprehensive Income and Expenditure account.

iv) Grant funding

In line with the implementation of FRS 102, the University has adopted the accrual model for government revenue and capital grants.

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the Institution recognises the related costs for which the grant is intended to compensate.

Government capital grants are recognised in income over the expected useful life of the asset. An annual transfer is made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded. The income shall be recorded within the Statement of Comprehensive Income under the relevant heading of funding body grants.

Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

v) Donations

Donations are non-exchange transactions which are accounted for using the performance method, and to be categorised as restricted or unrestricted donations depending on the circumstances.

Donations with restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves.

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

6. Stocks

Stocks primarily comprise various consumables and are valued at the lower of cost and net realisable value.

7. Maintenance of premises

The University of East London has a recurrent maintenance programme which forms the basis of the ongoing maintenance of our estate. The cost of recurrent and routine corrective maintenance is charged to the income and expenditure account as it is incurred.

Major refurbishment projects undertaken as part of our estates strategy which increase our economic capacity are capitalised as assets in construction and depreciated over a five-to-ten-year period from completion.

8. Tangible Assets

Land and Building

The University undertook a major valuation exercise of its fixed assets as at 31st July 2020 and a light touch valuations as at end July 2021 and end July 2022. This valuation was provided by Avison Young and the University has implemented the impairment aspects only of this valuation in accordance with its accounting policy.

Property and Equipment

Property and Equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Freehold land and long-term leasehold land is considered to have indefinite useful life and is not depreciated.

Buildings are depreciated on a straight-line basis over their expected useful lives as follows:

Freehold buildings	50 years
Long Leasehold buildings	50 years (or the length of the lease if less)
Short Leasehold buildings	3 years
Refurbishments	5 to 10 years

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

General	8 years
Solar panels	25 years
Lifts (depends on type)	15 to 20 years
Boilers and chillers	15 years
Generators	25 years
Computers	5 years
Furniture	10 years
Vehicles	5 years

Assets costing more than £20,000 are initially capitalised at cost. In cases where individual assets costing less than £20,000 and each form part of a specific project which enhances the value of the business for several years, the expenditure on that project will be capitalised and depreciated over the estimated useful life of the enhancement.

Assets in the course of construction are not depreciated. On completion they are transferred to other fixed asset categories and depreciated accordingly. Interest paid on loans to acquire tangible fixed assets is capitalised during the period of construction and written off over the life of the asset acquired.

The University of East London adopted the transitional provisions of Financial Reporting Standard (FRS) 102. Accordingly, the book values at the implementation of FRS 102 were retained and the valuations of those assets held at valuation.

9. Intangible assets

In accordance with FRS 102, software costs have been classified as intangible assets and amortised on a straight line basis over a period of 5 years.

Intangibles costing more than £20,000 are initially capitalised at cost. In cases where individual intangibles costing less than £20,000 and each form part of a specific project which enhances the value of the business for several years, the expenditure on that project will be capitalised and amortised on a straight line basis over a period of 5 years.

10. Pension scheme arrangements

The University participates in two defined benefits schemes: the London Borough of Barking and Dagenham Pension Scheme and the Teachers' Pension Scheme. It also operates a defined contribution scheme. All three schemes are funded by contributions from the university and employees.

For the London Borough of Barking and Dagenham defined benefit scheme, the University is obliged to provide the agreed benefits to current and former employees, and actuarial risk and investment risk are borne by the University. The assets of the scheme are held separately from those of the Group, in separate trustee administered funds. Pension scheme assets and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For the London Borough of Barking and Dagenham Pension Scheme the amounts charged to the Statement of Comprehensive Income and Expenditure account are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income and Expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. A notional interest cost on the pension liability or notional interest earned on the surplus is shown as part of finance costs or interest earned. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income and Expenditure.

It is not possible to identify the assets of the Teachers' Pension Scheme which are attributable to the university. This scheme is accounted for on a defined contribution basis and contributions to the scheme are included as expenditure in the period in which they are payable.

For defined contribution schemes the amount charged to the Statement of Comprehensive Income and Expenditure account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

11. 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 because of the unused entitlement.

12. Leases

Leasing agreements which transfer to the University substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The lease rentals consist of capital and interest elements. The assets are included in fixed assets and the capital elements are shown as obligations under finance leases, and the interest element is charged to the Statement of Comprehensive Income and Expenditure.

Rental costs under operating leases are charged to the Statement of Comprehensive Income and Expenditure account in the year the costs are incurred.

13. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Cash, bank, debtors, creditors, and loan balances are recorded at current values. Interest earned on bank accounts and interest charged on loans are recorded as interest receivable and interest payable respectively in the period to which they relate. Bank charges are recorded as operating expenditure in the period which they relate. The University has credit facility in place where the interest element is paid at a fixed interest rate each quarter. Amounts owed by/to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Investments

Fixed asset investments are stated at cost less provision for any impairment in value. Current asset investments are stated at net realisable value. Any increase or decrease in value arising on the revaluation of current asset investments is recognised in the Statement of Comprehensive Income and Expenditure.

15. Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash with insignificant risk of change in value. They include term deposits up to 3 months held as part of the university's treasury management activities. Investments with a maturity date more than 3 months at acquisition are classified as non-liquid resources and are treated as capital investments.

16. Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993), and as such is a charity within the meaning of Paragraph 1 of Schedule 6 of the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) 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. All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

The University is registered for Value Added Tax (VAT) and its principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added Tax charged by suppliers to the University.

The Institution's subsidiary companies are subject to Corporation Tax and VAT in the same way as any commercial organisation.

17. Provisions

Provisions are recognised in the financial statements when

- the University has a present legal or constructive obligation as a result of a past event;
- it is probable that a transfer of economic benefit will be required to settle the obligation; and
- 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.

18. Contingent liabilities

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 or where it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

19. Foreign currency

Transactions in foreign currencies are translated to GBP at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to GBP at the rates of exchange ruling at that date. Foreign exchange differences arising on translations are recognised in surplus or deficit. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to GBP at foreign exchange rates ruling at the dates the fair value was determined.

20. Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances where donors have designated a specific purpose and therefore the University is restricted in the use of these funds.

21. Going concern

The University reviews its medium-term financial strategy every year and considers any adjustments that are required to ensure success in delivering the University's strategy. The medium-term financial strategy sets out for a five-year period the inputs required to generate its income, surplus targets, investment plans, cash generation and liquidity position.

The University performed strongly and the revenue results and cash position for the 2021/22 year have been materially better than expected. At no point, due to its cash position, has there been the need to utilise any of the temporary cash support facilities.

The University remains free of external debt as of end of July 2022 and consequently has no covenant requirements/restrictions imposed upon it.

The University activity which presents greatest financial uncertainty continue to be student recruitment during the period of sector volatility, including lower occupancy of student residences and reduced student retention rates.

The outcome of the October 2022 enrolment period resulted in student numbers materially above target. This, together with managed growth in expenditure will ensure that the University meets its surplus and cash generation targets.

Financial resilience has significantly increased over the four years of the University's 10-year Vision 2028 strategy and is now rated medium to high.

There are, however, various external risks including changes in government policy that could impact on the future position of the University. These are all considered in the risk management process of the University when revising its medium-term financial strategy and its budget setting process. Management has considered these risks in modelling several scenarios and feels confident that its future trading position, together with its strong balance sheet and cash position that the University is financially sustainable.

Based on information and knowledge available in carrying out this review and an assessment of financial resilience, there is a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason, these accounts continue to be prepared on a going concern basis.

22. Key judgement and estimates

In preparing the financial statements to conform with FRS 102, management are required to use judgements in applying estimates and assumptions which affect the reported amounts. The main items where these judgements and estimates have been made include:

i) Pension

The annual pension statement is provided by the external actuary and the University adopt the assumptions on review. The pension valuations are carried out at least triennially and will set the contribution rate for the following years.

ii) Short term staff benefits

The holiday pay accruals calculation is based on annual leave data supplied from the Human Resource department and assumptions have been made in areas where annual leave data was unavailable.

iii) Recoverability of debtors

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically coupled with current economic knowledge. The provision is based on the current situation of the customer at the balance sheet date, the age profile of the debt and the nature of the amount due.

iv) Land revaluation and depreciation

The University undertook a valuation exercise of its fixed assets as of 31st July 2020 and light touch valuations as at end July 2021 and end July 2022. The valuations were provided by Avison Young, and the University has implemented the impairment aspects only of this valuation in accordance with its accounting policy.

Notes to the financial statements for the year ended 31 July 2022

	2022 Consolidated £'000	2022 University £'000	* Restated 2021 Consolidated £'000	* Restated 2021 University £'000
1				
Tuition Fees and Education Contracts				
UK Higher Education students	92,451	92,451	86,757	86,757
European Union (excluding UK students)	3,562	3,562	4,033	4,033
Non European Union students	50,570	50,570	44,513	44,513
Part-time students	7,735	7,735	7,418	7,418
	154,318	154,318	142,721	142,721
Education contracts	4,536	4,536	2,877	2,877
	158,854	158,854	145,598	145,598
Fee income from non-qualifying courses (exclusive of VAT)	4,536	4,536	2,877	2,877
Fee income for taught awards (exclusive of VAT)	154,318	154,318	142,721	142,721
	158,854	158,854	145,598	145,598

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
2				
Funding Body Grants				
Recurrent grant				
Office for Students	7,446	7,446	11,844	11,844
Capital Grant	1,393	1,393	2,452	2,452
Specific grants				
Higher Education Innovation Fund	657	657	426	426
National College for Teaching & Leadership	-	-	(4)	(4)
ESFA Apprenticeship - Other Income	1	1	0	0
	9,497	9,497	14,718	14,718
Grant income from the OFS	8,839	8,839	14,296	14,296
Grant income from other bodies	658	658	422	422
	9,497	9,497	14,718	14,718

*See Note 26 for details of the restatement

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
3				
Research Grants and Contracts				
Research councils	410	410	357	357
UK based charities	236	236	247	247
European Commission	700	700	617	617
Other grants and contracts	885	798	970	921
	2,231	2,144	2,191	2,142
Grant income from other bodies	2,231	2,144	2,191	2,142
	2,231	2,144	2,191	2,142
The source of grant and fee income, included in notes 1 to 3 is as follows:				
Grant income from the OFS	8,839	8,839	14,296	14,296
Grant income from other bodies	2,888	2,801	2,613	2,564
Fee income from non-qualifying courses (exclusive of VAT)	4,536	4,536	2,877	2,877
Fee income for taught awards (exclusive of VAT)	154,318	154,318	142,721	142,721
	170,581	170,494	162,507	162,458

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
4				
Other Income				
Residences, catering and conferences	9,915	9,915	5,311	5,311
Collaborative agreements	5,227	5,227	4,431	4,431
Release of Non-OfS capital grants	781	781	545	545
Other income	5,454	6,869	3,813	5,410
	21,377	22,792	14,100	15,697

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
5				
Donations and Endowments				
Unrestricted donations	15	1,924	-	1,255
	15	1,924	0	1,255

Notes to the financial statements for the year ended 31 July 2022

6	2022	2022	2021	2021
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff costs				
Salaries	68,107	47,277	63,063	45,698
Social security costs	7,420	5,184	6,839	5,034
Other pension costs	15,032	12,780	14,623	12,750
Agency costs	-	25,318	-	21,043
Total	90,559	90,559	84,525	84,525

All new professional services staff are recruited into UEL Professional Services Ltd and the costs are reflected in the Agency Cost line.

Included in the staff costs are salaries totalling £3,029,330 (2020/21: £2,425,637) paid to 507 (2020/21: 383) hourly paid and specialist lecturers. The number of staff paid cannot be readily converted into full time equivalents so has not been included in the staff number table above. If an average lecturer cost was used then the total spend would translate into 43 full time equivalent academic staff in 2021/22 (2020/21: 33 academic staff).

The University applies the principles of the "Higher Education Senior Staff Remuneration Code" published by the CUC when considering senior staff salaries. The remuneration committee receive an annual report of senior staff pay and agree the pay of individual roles as set out the university's constitution.

The Total includes £2,412,724 paid to 42 Access and Participation staff

Governors

No Governor received remuneration in respect of their services either in the year under review (2021/22) or the prior year.

The details of the non-staff governors expenses are as shown in the table below.

Non-staff Governors	2022	2021
	£	£
Anulika Ajufo	1,111	127
Sir Les Ebdon	659	-
Total	1,770	127

Emoluments of the Vice-Chancellor:	Professor Amanda Broderick	
	01/8/21 - 31/7/22	01/8/20 -31/7/21
	2022 £'000	2021 £'000
Salary	232	229
Performance related pay	15	-
Benefits	12	11
Payment in lieu of pension	44	44
Total	303	284

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff and exclude employer's national insurance contributions.

The Vice-Chancellor's basic salary was £232.5k and payments in lieu of pension in 2021/22 remained the same as that in 2020/21. The payment of £15,000 in 2021/22 relates to the 2020/21 academic year performance related pay.

The Vice-Chancellor & President's objectives are agreed by the Board of Governors. The Vice-Chancellor & President's long-term objective is to deliver the University's Vision 2028 Strategy. Overall progress towards the delivery of that Strategy is assessed each year.

Discretionary performance-related payments are a contractual agreement of the Vice-Chancellor and President's salary package. The Remuneration and Staffing Committee reviews the performance of the Vice-Chancellor & President, Professor Broderick, against a broad range of objectives. The Remuneration and Staffing Committee - which the Vice-Chancellor & President is not a member of - decides whether an award should be made, and the value of any amount allocated.

Benefits and their taxation implications of £12,187 (2020/21: £11,435) were paid to or on behalf of the Vice-Chancellor and President, these included:

	2022	2021
Medical Insurance	3,605	3,976
Accommodation	869	-
Travel & subsistence	7,713	7,459
Total	12,187	11,435

The relationship between the Vice-Chancellor's annualised salary and remuneration and that for all other employees expressed as a pay multiple of the median pay of all other employees on a full-time equivalent basis is as follows:

Vice-Chancellor's Pay Multiple:**Professor Amanda Broderick**

	01/8/21 - 31/7/22 2022 £'000	Re-stated 01/8/20 - 31/7/21 2021 £'000
Basic Salary	232.5	229.1
Total Remuneration	303.8	284.0
Median pay - Basic salary	41.2	40.6
Pay ratio - Basic Salary to Median Pay	5.6	5.6
Median pay - Total Remuneration	49.8	44.3
Pay ratio - Total Remuneration to Median Pay	6.1	6.4

Basic pay ratio against staff pay remains unchanged at 5.6. Total remuneration against total staff remuneration, has decreased to 6.1 (2020/21: 6.4)

Average staff numbers by major category

	2022 No.	2021 No.
Senior Management Staff	8	8
Teaching Staff	557	507
Research Staff	27	19
Professional, Administrative, Technical and Other Support Staff	826	779
Total	1,418	1,313

The table below shows the number of higher paid staff, excluding the Vice-Chancellor and Acting Vice-Chancellors, whose remuneration falls within the following bands:

Higher paid staff

	2022 No.	2021 No.
£100,001 - £105,000	-	2
£105,001 - £110,000	1	2
£110,001 - £115,000	5	1
£115,001 - £120,000	-	1
£120,001 - £125,000	3	2
£130,001 - £135,000	-	1
£150,001 - £155,000	1	1
£155,001 - £160,000	-	1
£160,001 - £165,000	1	-
Total	11	11

The remuneration figures are calculated before deduction of any payments made under salary sacrifice schemes, include taxable benefits but exclude employer's pension contribution and employer's national insurance contributions.

Key management personnel

Key management personnel include members of the University Executive Board. Members of the UEB are listed on page *tbc* on the Annual Report.

	2022 £'000	2021 £'000
Total	1,715	1,513

The key management personnel compensation in the above table consists of salary, benefits, employer's NI and pension contribution.

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Restructuring costs

The total restructuring cost of £345k in 2021-22, was paid to ten employees. The payments were made following the principles set out in the "Guidance on decisions taken about severance payments in HEIs" produced by the CUC. This guidance applies to restructuring costs to an individual employee of over £100,000, however there were no staff payments in excess of this amount.

Notes to the financial statements for the year ended 31 July 2022

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
8				
Interest and other finance costs				
Interest Payable	4	4	0	0
Facility cost	26	26	49	49
Exchange differences	34	34	157	157
Net charge on pension scheme	1,775	1,775	1,810	1,810
	1,839	1,839	2,016	2,016

The facility cost of £26k in 2021/22, (2021: £49k) relates to a Revolving Credit Facility with Barclays Bank that was cancelled in December 2021.

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
9				
Analysis of total expenditure by activity				
Academic departments	20,589	20,589	7,999	7,999
Research grants and contracts	897	897	902	902
Bursaries and scholarships	4,031	4,031	7,296	7,296
Academic services	1,361	1,361	2,140	2,140
Administration and central services	30,271	30,271	24,212	24,212
Residences, catering and conferences	3,626	3,626	2,034	2,034
Other expenses	2,898	6,135	3,789	6,592
Information Technology	4,947	4,947	3,823	3,823
Premises	12,233	12,233	11,333	11,333
	80,853	84,090	63,528	66,331

Other expenses include

External auditor's remuneration:

Fees payable to the university's auditor for:

.Financial statements audit	78	78	78	78
.Other services	24	24	-	-
.Prior year other services	1	1	-	-
.Prior year other services (previous auditor)	9	9	-	-
.Subsidiary company audit	9	9	9	9
Internal auditor's remuneration	84	84	115	115
Losses on disposal of tangible fixed assets	1	1	74	74
Students' Union grant	849	849	779	779
Rentals paid during the year under operating leases:				
Hire of plant and machinery	136	136	181	181

Auditors' remuneration is stated inclusive of VAT.

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	Year ended 31 July 2022	Year ended 31 July 2021
Access and Participation		
	£'000	£'000
Access Investment	3,903	3,900
Financial Support	1,325	1,577
Disability Support (excluding expenditure included in the two categories above)	252	395
Research and Evaluation	149	208
	5,629	6,080

The total includes £2,413k paid 41 Access and Participation staff (see note 7)

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Taxation

The University is not liable for Corporation Tax and no tax charges arise from its subsidiary companies.

	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
11				
Intangible assets: Software Cost				
At 1 August 2021	11,947	11,947	9,746	9,746
Additions	2,785	2,785	3,234	3,234
Disposals	(1,738)	(1,738)	(1,033)	(1,033)
Transfers	706	706	-	-
As at July 22	13,700	13,700	11,947	11,947
Amortisation				
At 1 August 2021	4,767	4,767	4,351	4,351
Charge for the year	1,950	1,950	1,016	1,016
Disposals	(1,738)	(1,738)	(600)	(600)
As at July 22	4,979	4,979	4,767	4,767
Net book value				
As at July 22	8,721	8,721	7,180	7,180
As at July 21	7,180	7,180	5,395	5,395

Notes to the financial statements for the year ended 31 July 2022

12	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Equipment and Furniture £'000	Assets in Construction £'000	Total £'000
Tangible Assets					
Group					
Cost or valuation					
At 1 August 2021	130,653	28,790	31,656	7,777	198,876
Additions	18,116	-	2,951	900	21,967
Disposals	-	-	(4,082)	-	(4,082)
Reconciling Adjustment	(550)	(1,143)	(53)	-	(1,746)
Transfers to Intangibles	-	-	-	(706)	(706)
Transfers to/(from) Assets Under Construction	5,131	475	1,335	(6,941)	-
Reclassification	(108,908)	108,908	-	-	-
At 31 July 2022	44,442	137,030	31,807	1,030	214,309
Depreciation					
At 1 August 2021	16,690	904	23,933	-	41,527
Charge for the year	3,828	43	2,370	-	6,241
Disposals	-	-	(4,081)	-	(4,081)
Reconciling Adjustment	(766)	(904)	(1)	-	(1,671)
Reclassification	(19,003)	19,003	-	-	-
At 31 July 2022	749	19,046	22,221	0	42,016
Net book value					
At 31 July 2022	43,693	117,984	9,586	1,030	172,293
At 31 July 2021	113,963	27,886	7,723	7,777	157,349
University					
Cost or valuation					
At 1 August 2021	130,653	28,790	31,656	7,777	198,876
Additions	18,116	-	2,951	900	21,967
Disposals	-	-	(4,082)	-	(4,082)
Reconciling Adjustment	(550)	(1,143)	(53)	-	(1,746)
Transfers to Intangibles	-	-	-	(706)	(706)
Transfers to/(from) Assets Under Construction	5,131	475	1,335	(6,941)	-
Reclassification	(108,908)	108,908	-	-	-
At 31 July 2022	44,442	137,030	31,807	1,030	214,309
Depreciation					
At 1 August 2021	16,690	904	23,933	-	41,527
Charge for the year	3,828	43	2,370	-	6,240
Disposals	-	-	(4,081)	-	(4,081)
Reconciling Adjustment	(766)	(904)	(1)	-	(1,671)
Reclassification	(19,003)	19,003	-	-	-
At 31 July 2022	749	19,046	22,221	-	42,016
Net book value					
At 31 July 2022	43,693	117,984	9,586	1,030	172,293
At 31 July 2021	113,963	27,886	7,723	7,777	157,349

The credit adjustments of £550k and £1.143m under Cost or Valuation; and £1.671m under Depreciation, for Freehold and Leasehold; Land and Buildings are cleansing entries to reconcile Note 12 with the Fixed Assets Register on the Finance System.

Following a review of the presentation of assets in use against their underlying title deed, freehold buildings with a cost of £108.9m have been reclassified as leasehold buildings during the year.

Notes to the financial statements for the year ended 31 July 2022

13	Subsidiary companies £'000	Other fixed assets investments £'000	Total £'000
Non-Current Investments Consolidated			
At 31 July 2022	-	34	34
University			
At 1 August 2021	200	34	234
At 31 July 2022	200	34	234

The non-current investments have been valued at cost being:

The £200k investment into 100% owned subsidiary company, UEL Professional Services Ltd in January 2016.

£34k relates to investment in Universities UK Limited.

Notes to the financial statements for the year ended 31 July 2022

14	2022	2022	2021	2021
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade and other receivables				
Amounts receivable within one year				
Trade and other receivables	25,995	25,801	12,154	12,059
Other debtors	1,994	1,995	1,926	1,925
Prepayments and accrued income	6,735	8,629	4,077	5,329
	34,724	36,425	18,157	19,313

15	2022	2022	*Restated 2021	*Restated 2021
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Creditors: Amounts falling due within one year				
Other loans repayable within one year	33	33	51	51
Trade creditors	6,662	6,661	4,834	4,834
Deposits and overpayments on account	49,503	49,503	21,005	21,004
Other creditors	5,350	4,298	6,181	4,914
Taxation and social security	3,761	2,723	3,330	2,493
Accruals and deferred income	62,815	62,691	28,049	27,945
Amounts owed to subsidiary undertaking	0	21	0	33
	128,124	125,930	63,450	61,274

The 2021 Consolidated and University, Other Creditors, were increased by staff holiday accrual of £5.282m and £4.114m, respectively, that were transferred from Provision for Liabilities. This is not a restatement as the change was made for presentational purposes.

*See Note 26 for details of the restatement

Notes to the financial statements for the year ended 31 July 2022

16	2022 Consolidated £'000	2022 University £'000	*Restated 2021 Consolidated £'000	*Restated 2021 University £'000
Creditors: Amounts falling due after more than one year				
Deferred income	39,865	39,865	39,594	39,594
Other loans - OfS & Salix Finance Ltd (unsecured) Between one and two years	-	-	33	33
	39,865	39,865	39,627	39,627
Analysis of Deferred Capital Grant:				
Due within one year	1,971	1,971	1,989	1,989
Due between one and two years	3,419	3,419	3,319	3,319
Due between two and five years	4,024	4,024	3,684	3,684
Due in five years or more	32,422	32,422	32,591	32,591
Due after more than one year	39,865	39,865	39,594	39,594
Total Deferred Capital Grant	41,836	41,836	41,583	41,583
Analysis of unsecured loans:				
Due within one year	33	33	51	51
Due between one and two years	-	-	33	33
Due after more than one year	-	-	33	33
Total unsecured loans	33	33	84	84

*See Note 26 for details of the restatement

Details of loans:	Principal Amount £'000	Term	Interest rate %	Borrower
Lender				
Salix Finance Ltd	165	5 years	0.00	University
Total	165			

17	2022 Consolidated and University £'000	Restated 2021 Consolidated and University £'000
Provision for liabilities		
Balance at 1 August	-	-
Additional provision	75	-
Balance at 31 July	75	-

The additional provision relates to legal costs. The 20-21 staff holiday accrual of £5.282m was transferred to Note 15 - Creditors due within one year. This is not a restatement as the change was made to provide a more accurate reflection of the financial obligation.

Notes to the financial statements for the year ended 31 July 2022

18	2022 Consolidated and University £'000	Restated 2021 Consolidated and University £'000
Restricted Reserves		
Balances at 1 August 2021	51	60
	51	60
Release of restricted funds spent in year	-	(9)
At 31 July 2022	51	51

The restricted reserves relate to donations from the Noon Foundation.

19	At 1 August 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Consolidated Cash and cash equivalents			
Cash and cash equivalents	66,182	45,087	111,269
University Cash and cash equivalents			
Cash and cash equivalents	62,633	44,524	107,157

Notes to the financial statements for the year ended 31 July 2022

20	2022 Consolidated £'000	2022 University £'000	2021 Consolidated £'000	2021 University £'000
Capital and other commitments				
Commitments contracted for but not provided for in the financial statements	9,207	9,207	988	988
Authorised by the Board of Governors but not yet contracted for	7,161	7,161	-	-
	16,368	16,368	988	988

Commitments contracted for but not provided for in the financial statements as at 31st July 2022 include; £4.2m for the Net Zero Carbon project, and £4.6m for Connected Campus. The capital projects authorised by the Board of Governors but not yet contracted for; include £2.7m for University Square Stratford refurbishment, £1.1m for Net Zero Carbon project, £1.6m for Connected Campus, and £1.7m for Digital First.

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Contingent liabilities

The University is exposed to contingent liabilities arising from a legal case, Harpur Trust v Brazel, and, separately, Education and Skills Funding Agency reporting requirements. The outcomes are uncertain, and the likelihood of occurrence is either considered remote, or the potential outflows are not material to the University's consolidated financial position. These contingencies could be converted into provisions, should the University consider that there is a probability of outflow of resources which can be measured reliably. The University received £3.2m funding from ESFA in 2021-22, subject to the Agency reporting conditions being met.

The University took out a "Standard Letter of Credit - Performance Bond" to US Department of Education on 3rd March 2021. This is due to late submission of US GAAP compliance financial statements for year ended July 2019. The guarantee amount is US\$ 375,189 and the guarantee validity is recorded as 28th February 2026. The charge is based on the outstanding liability of £307,632.83 at a percentage of 1.000 per annum, minimum GBP 150.00 per annum, payable quarterly in advance.

22	2022 Consolidated £'000	2021 University £'000
Lease obligations		
Total rentals payable under operating leases:	136	181
Payable during the year	136	181
Equipment and Furniture		
Due within one year	164	-
Due between two and five years	66	194
Future lease payments due	230	194
Total lease obligations	366	375

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Subsidiary undertakings

As at 31st July the subsidiary companies, all of which are registered in England and are wholly-owned by the University, were as follow:

Company	Principal Activity	Holdings %
Knowledge Dock Ltd	The supply of consultancy and business rentals.	100% owned
UEL Professional Services Limited	The supply of staff to the University of East London	100% owned

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Related party transactions

Company	Principal Activity	Holdings %
Knowledge Dock Ltd	The supply of consultancy and business rentals	100% owned
UEL Professional Services Limited	The supply of staff to the University of East London	100% owned

Due to the nature of the institution's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is possible that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions are completed in accordance with the University of East London's financial regulations. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length.

The consolidated financial statements do not include those of the University of East London Students' Union as the University has no significant influence on its policies. However, since the University's Board of Governors includes representatives from the elected members of the students' union, transactions between the university and the union are recorded here for completeness.

The following summarises the significant arm's length transactions (in excess of £20,000) with related parties during the year:

Company/institution	Role of governor/senior post holder	Opening debtor or (creditor)	Income and (expenditure) for the year	Closing debtor or (creditor)
		£	£	£
UEL Students' Union				
Other services: income	Elected President	-	4,687	-
Annual support grant		-	848,595	-

The student union other services income consist of printing, telephone and security recharges.

The £849k is the annual support grant received by the Student Union inclusive of staff costs relating to responsibility allowances.

No Board Members received any remuneration for the years 2021/22 and 2020/21.

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Pension Schemes

The University participates in two defined benefits schemes: The Local Government Pension Scheme (LGPS) administered by the London Borough of Barking and Dagenham and the Teachers' Pension Scheme. It also operates a defined contribution scheme, The UEL Retirement and Savings Plan, administered by Aviva. Two of the schemes are funded, but the Teachers' Pension Scheme is unfunded.

Details of the three pension schemes are set out as follows:

1. UEL Retirement and Savings Plan

The University has offered this defined contribution scheme operated by Aviva as an alternative to the LGPS and the Teachers' Pension Scheme since 2013. In January 2016 the university's subsidiary company UEL Professional Services LTD started trading. This subsidiary company also operates the UEL Savings and Retirement Plan.

UEL pays 10% of salary but staff can make contributions of up to 4% of salary and the University will match this on the basis of a 1.5% for every 1% of the staff member's contribution up to a maximum of 6% in addition to the 10%, making a maximum of 16% employer contribution.

2. Teachers' Pension Scheme (England and Wales)

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £6.09m (2020/21: £4.2m). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The University has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University as set out above the information available on the scheme.

3. London Borough of Barking and Dagenham Pension Scheme

This defined benefit scheme administered by London Borough of Barking and Dagenham Pension Fund, is subject to a triennial valuation by independent actuaries and the most recent being as at 31 March 2019 and 31 March 2016.

The contributions to the scheme by the University of East London is 34.4% of pensionable salaries for non-teaching staff (2016: 28.3%). The scheme actuary estimates that the employer's contribution projected for the year to 31 July 2023 would be approximately £3,126,000.

The major categories of plan assets as a percentage of total plan assets were:

Assets	2022	2021
Equities	86%	86%
Bonds	12%	12%
Property	5%	4%
Cash	-2%	-3%

Assumptions

The financial assumptions used by the actuary were:

	2022	2021
Pension Increase rate	2.75%	2.80%
Salary Increase rate	3.45%	3.50%
Discount rate	3.40%	1.60%

The key financial assumptions required for determining the defined benefit obligation for accounting are the discount rate, linked to high quality corporate bond yields, and the rate of future inflation. The higher discount rate (3.40% in 2021/22 compared to 1.60% in prior year) resulted in a lower value being placed on the defined benefit obligation and in a significant improvement in the overall position. The financial assumptions have been set with consideration of the duration of the University past service liabilities, which is estimated to be 22 years. The current mortality assumption is based on the Vita Curves with improvements in line with the CMI 2020 model (2020 - 2018 model) allowing for a long-term improvement of 1.25% pa, smoothing parameter of 7.0 an initial additional parameter of 0.5% pa and a 2020 weighting of 25%.

Due to high periods of inflation up to 31 July 2022, an adjustment has been made to the year end valuation to account for the estimated impact on the Pension Order Increase due to be implemented from 1 April 2023. The estimated impact of the defined benefit obligation has been recognised as an experience loss. This charge has been made against Other Comprehensive Income, however is not directly reflected within the listed actuarial assumptions above.

The assumed life expectations from age 65 (years):

	2022	2021
<i>Retiring today</i>		
Males	21.1	21.0
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	22.3	22.2
Females	25.0	25.0

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions.

The following table shows the fair value of the University's share of the scheme assets and liabilities in accordance with the requirements of FRS 102:

Analysis of changes to the balance sheet:	Fair value of employer assets		Defined Benefit obligation		Net liability recognised in balance sheet	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Opening Balance	202,784	168,325	(315,728)	(304,269)	(112,944)	(135,944)
Contributions by members	781	821	(781)	(821)	-	-
Contributions by the employer	3,657	4,200	-	-	3,657	4,200
Contributions in respect of unfunded benefits	401	440	401	440	401	880
Estimated benefits paid	(6,758)	(6,781)	6,758	6,781	-	-
Estimated unfunded benefits paid	(401)	(440)	-	-	-	(440)
Expected return on assets	3,226	2,261	-	-	3,226	2,261
Actuarial gains	(7,891)	34,067	93,967	(7,730)	86,076	26,337
Administrative expenses	(103)	(109)	-	-	(103)	(109)
Current service cost	-	-	(5,248)	(5,426)	(5,248)	(5,426)
Interest cost	-	-	(5,001)	(4,071)	(5,001)	(4,071)
Past service costs	-	-	-	(632)	-	(632)
Losses on curtailments	-	-	-	-	-	-
Closing Balance	195,696	202,784	(225,632)	(315,728)	(29,936)	(112,944)

	2022 £'000	2021 £'000
The University's net pension liabilities were as follows:		
Fair value of employer assets	195,696	202,784
Present value of funded obligations	(223,243)	(311,771)
Net under-funding in funded plans	(27,547)	(108,987)
Present value of unfunded obligations	(2,389)	(3,957)
Net pension liability	(29,936)	(112,944)

	2022 £'000	2021 £'000
Analysis of amount charged to the income and expenditure account:		
Current service cost	5,248	5,426
Past service cost (including curtailments)	0	632
Operating charge	5,248	6,058
Expected return on employer assets	(3,226)	(2,261)
Interest on pension scheme liabilities	5,001	4,071
Net Return	1,775	1,810
Net income and expenditure account cost	7,023	7,868

	2022 £'000	2021 £'000
Analysis of Statement of Changes in Reserves		
Actuarial return less expected return on pension scheme assets	(7,891)	34,067
Other actuarial gains/(losses) on assets	-	-
Changes in demographic assumptions	-	3,753
Changes in assumptions underlying the present value of the scheme liabilities	111,648	(17,289)
Experience gains / (losses) on the scheme liabilities	(17,681)	5,806
Actuarial (losses) recognised in the Statement of Changes in Reserves	86,076	26,337

The Group pays contributions to the Fund at rates determined by the Fund's actuaries based on regular actuarial reviews of the financial position of the Fund. In the year ended 31 July 2022, contributions by the university to the scheme were £3.657 million (2021: £4m) .

The experience gains and losses for the year ended 31 July were:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
The experience gains and losses for the year ended 31 July were:					
Difference between the expected and actual return on assets	(7,891)	34,067	(7,119)	5,009	9,375
Value of assets	195,696	202,784	168,325	174,579	165,710
Percentage of assets	(4.0%)	16.8%	(4.2%)	0.3%	5.7%
Experience gains on liabilities	(17,681)	5,806	5,277	336	(37)
Present value of liabilities	225,632	315,728	304,269	268,634	237,226
Percentage of present value of liabilities	(7.8%)	1.8%	1.7%	0.1%	-
Actuarial gains/(losses) recognised in Statement of Changes in Reserves*	85,973	26,228	(38,480)	(18,799)	19,363
Present value of liabilities	225,632	315,728	304,269	268,634	237,226
Percentage of present value of liabilities	38.1%	8.3%	(12.6%)	(7.0%)	8.2%
Net pension liability	(29,936)	(112,944)	(135,944)	(94,055)	(71,516)

*Net of Administrative expenses (2021/22 - £103k; 2020/21 - £109k)

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Nature of Prior Year Adjustment

During the year, the University completed a balance sheet review and identified a number of capital building grants that had been deferred on the balance sheet in line with the required accounting treatment permitted under the FE HE SORP for government capital grants. However, the grants had not been allocated against any specific assets and were not being released on a timely basis i.e. in line with the depreciation on the assets financed by the grant. A prior year adjustment has therefore been made to correctly match the release of deferred capital grant income in line with the depreciation of the assets being financed. £4.223m relates to amounts that should have been released up to 31 July 2020 and £1.756m relates to the 31 July 2021 financial year.

The following tables summarises the impact on the Group's and University's financial statements at 1 August 2020 and 31 July 2021.

Consolidated			
	1 August 2020	Adjustment	Restated
	£'000	£'000	1 August 2020
			£'000
Initial Recognition of Deferred Capital Grants			
Unrestricted Reserves	(72,605)	4,223	(68,382)
<hr/>			
	31 July 2021	Adjustment	Restated
	£'000	£'000	31 July 2021
			£'000
To recognise the release of Deferred Capital Grants at 31 July 2021			
Balance Sheet			
Creditors due within one year	(57,416)	(752)	(58,168)
Creditors due after more than one year	(46,358)	6,731	(39,627)
Unrestricted Reserves	(28,332)	5,979	(22,353)
Statement of Comprehensive Income and Expenditure			
Surplus for the year	17,943	1,756	19,699
Cash Flow Statement			
Surplus for the Year	17,943	1,756	19,699
Increase in Release of Capital Grant	(1,241)	(1,756)	(2,997)
<hr/>			
University			
	1 August 2020	Adjustment	Restated
	£'000	£'000	1 August 2020
			£'000
Initial Recognition of Deferred Capital Grants			
Unrestricted Reserves	(72,622)	4,223	(68,399)
<hr/>			
	31 July 2021	Adjustment	Restated
	£'000	£'000	31 July 2021
			£'000
To recognise the release of Deferred Capital Grants at 31 July 2021			
Balance Sheet			
Creditors due within one year	(56,409)	(751)	(57,160)
Creditors due after more than one year	(46,358)	6,731	(39,627)
Unrestricted Reserves	(28,349)	5,979	(22,370)
Statement of Comprehensive Income and Expenditure			
Surplus for the year	17,943	1,756	19,699

27. US Department of Education Financial Responsibility - Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, we are required by the US Department of Education to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain assets
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).
- presented in pounds sterling

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

To support the Financial Statements for the year ended 31 July 2022:

Primary Reserve Ratio:

Statement/ Note	Line item - related disclosures	Line item - related disclosures	Expendable Net Assets:	Year ended 31 July 2022	Restated Year ended 31 July 2021
				£'000	£'000
SOPF	SOPF (Consolidated and University Statement of Financial Position / Unrestricted Reserves)	Income and Expenditure Reserve - Unrestricted	Statement of Financial Position - Net assets without donor restrictions	73,891	(22,353)
SOPF	SOPF (Consolidated and University Statement of Financial Position / Unrestricted Reserves)	Revaluation Reserve	Statement of Financial Position - Net assets without donor restrictions	55,099	55,184
SOPF	SOPF (Consolidated and University Statement of Financial Position / Restricted reserves)	Income and Expenditure Reserve - Restricted	Net assets with donor restrictions - Restricted in perpetuity	51	51
Note 24	Related Party transactions	Related Party transactions	Statement of Financial Position – Related party receivable and Related party note disclosure - Secured related party receivable	-	-
Note 24	Related Party transactions	Related Party transactions	Statement of Financial Position – Related party receivable and Related party note disclosure - Unsecured related party receivable	-	-
SOPF	SOPF (Consolidated and University Statement of Financial Position / Non-current assets / Intangible assets)	Note 11 Intangible assets: Software Costs / Net Book Value as at Jul 22	Intangible assets	(8,721)	(7,180)
SOPF	SOPF (Consolidated and University Statement of Financial Position / Non-current assets / Fixed assets)	Note 12 Tangible assets / Net Book Value as at Jul 22	Property, plant and equipment net (includes Construction in progress)	(172,293)	(157,349)
SOPF	SOPF (Consolidated and University Statement of Financial Position / Non-current assets / Investments)	Note 13 Non-Current Investments Consolidated / At 31 July 2022	Non current Investments	(34)	(34)
SOPF	SOPF (Consolidated and University Statement of Financial Position / Provisions / Pension provisions)	Note 25 Pension Schemes / Analysis of changes to the balance sheet / Net Liability recognised in balance / Closing Balance	Statement of Financial Position – Post employment and pension liabilities + Split of Pensions from short term creditors	29,936	112,944
SOPF	SOPF (Consolidated and University Statement of Financial Position / Provisions / Other provisions)	Note 17 Provisions for Liabilities / Balance as at 31 July	Provisions - short-term employee's benefit	75	1
SOPF	SOPF (Consolidated and University Statement of Financial Position / Creditors: amounts falling due after more than one year	Note 16 Creditors: Amounts falling due after more than one year	Line of credit for long-term purposes	39,865	39,627
SOPF			Long-term debt- for long term purposes pre-implementation	-	-
SOPF		Restricted expendable	Term endowments with donor restrictions	-	-
			Expendable Net Assets	17,869	20,891

Total Expenses and Losses:				Year ended 31 July 2022	Year ended 31 July 2021
Statement/ Note	Line item - related disclosures	Line item - related disclosures	Related Disclosure	£'000	£'000
CSCI	Consolidated and Institution Statement of Comprehensive Income	Total expenditure (not including pension provision)	Total expenses without donor restrictions – taken directly from Statement of Activities	181,787	156,437
CSCI	Consolidated and Institution Statement of Comprehensive Income	(Loss) on disposal of fixed assets	Non-Operating and Investment (gain)	1	471
CSCI	Consolidated and Institution Statement of Comprehensive Income	(Loss)/Gain on investments	Net investment losses	-	-
CSCI	Consolidated and Institution Statement of Comprehensive Income	Actuarial gain/(loss) in respect of pension schemes	Pension-related changes other than net periodic costs	(85,973)	(26,228)
Total Expenses and Losses				95,815	130,680

Equity Ratio

Modified Net Assets:				Year ended 31 July 2022	Restated Year ended 31 July 2021
Statement/ Note	Line item - related disclosures	Line item - related disclosures	Related Disclosure	£'000	£'000
CSCR	Consolidated and Institution Statement of Changes in Reserves	Consolidated / Unrestricted + Revaluation reserve	Statement of Financial Position – Net assets without donor restrictions	128,991	32,831
CSCR	Consolidated and Institution Statement of Changes in Reserves	Consolidated / Restricted	Statement of Financial Position – Net assets with donor restrictions	51	51
SOFP	SOFP (Consolidated and University Statement of Financial Position)	Non-current assets	Intangible assets	(8,721)	(7,180)
Note 24	Related Party transactions	Related Party transactions	Secured and Unsecured related party receivable	-	-
Note 24	Related Party transactions	Related Party transactions	Unsecured related party receivables	-	-
Modified Net Assets				120,320	25,702

Modified Assets:				Year ended 31 July 2022	Restated Year ended 31 July 2021
Statement/ Note	Line item - related disclosures	Line item - related disclosures	Related Disclosure	£'000	£'000
SOFP	SOFP (Consolidated and University Statement of Financial Position)	Non-current assets total + Current assets total	Total Assets	327,041	248,903
SOFP	SOFP (Consolidated and University Statement of Financial Position)	Non-current assets	Intangible assets	(8,721)	(7,180)
Note 24	Related Party transactions	Related Party transactions	Secured and Unsecured related party receivable	-	-
Note 24	Related Party transactions	Related Party transactions	Unsecured related party receivables	-	-
Modified Assets				318,320	241,723

Net Income Ratio				Year ended 31 July 2022	Restated Year ended 31 July 2021
Statement/ Note	Line item - related disclosures	Line item - related disclosures	Related Disclosure	£'000	£'000
CSCR	Consolidated and Institution Statement of Changes in Reserves	Unrestricted Reserves / Change in Income and expenditure reserve - unrestricted	Change in Net Assets Without Donor Restrictions	96,244	50,252
CSCR	Consolidated and Institution Statement of Changes in Reserves	Unrestricted Reserves / Change in Revaluation Reserve	Changes in Revaluation Reserves	(85)	(93)
CSCR	Consolidated and Institution Statement of Comprehensive Income	Total Income / Consolidated	Total Revenue and Gains	191,974	176,607
CSCR	Consolidated and Institution Statement of Comprehensive Income	(Loss) on disposal of fixed assets	Sale of fixed assets	(1)	(471)