

University of Suffolk Ltd

**Annual report and financial statements
for the year ended 31 July 2023**

Registered number: 05078498

University of Suffolk Ltd

Annual report for the year ended 31 July 2023

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Directors and advisors

Directors	Mr M Pendlington	(Chair – retired 11 August 2023)
	Mr I S Ailles	(appointed 1 July 2023)
	Mr C J Bally	(retired 5 June 2023)
	Dr J C Barnes	
	Mr S C Clarke	
	Professor M Dastbaz	
	Dr P Essah	
	Mr A D Gooch	(retired 30 June 2023)
	Dr S J Hurley	(appointed 9 January 2023)
	Ms F C B Jones BEM	(retired 24 January 2023)
	Mrs J L Krone	
	Professor H E Langton	(Vice-Chancellor and Chief Executive Officer)
	Ms J L Leeder	
	Dr W Lecluyse	(retired 30 September 2022)
	Ms K Pickard	(appointed 1 July 2023)
Mr S R Preston	(appointed 1 October 2022)	
Rt Revd M A Seeley		
Mr A B C Smith		
Mr P Winter MBE		
Mr L Woolston	(appointed 1 July 2023)	
Miss M Wright	(retired 25 November 2022)	
Company Secretary	Mr T J Greenacre	
Registered office	Waterfront Building Neptune Quay Ipswich Suffolk IP4 1QJ	
Independent auditors	SB Audit LLP 820 The Crescent Colchester Business Park Colchester Essex CO4 9YQ	
Bankers	Barclays Bank plc 1 Princes Street Ipswich Suffolk IP1 1PN	
Solicitors	Mills & Reeve LLP 1 St James Court Whitefriars Norwich Norfolk NR3 1RU	

University of Suffolk Ltd

Strategic report for the year ended 31 July 2023

The directors present their strategic report for the University of Suffolk Ltd for the year ended 31 July 2023.

Business review and principal activities

The principal activity of the company for the year under review was that of higher education, together with such activities as are relevant for its facilitation. Additional activities include the provision of consultancy and applied research services.

The University of Suffolk is an independent university with its own teaching degree awarding powers, having gained this status in August 2016.

The Directors confirm they have discharged their duties under Section 172 of the Companies Act through the planning, long term vision and activities laid out in the strategic report.

The University's 'Transforming Lives and Our Region' publication lays out its strategy and vision for the period 2020-2030. The delivery of the University's vision is the focus of four lead strategies: Learning, Teaching and Assessment; Research and Scholarly Activity; Business Engagement, Careers and Employability; Internationalisation. These are supplemented by five resourcing strategies: People and Organisational Development; Digital; Financial; Estates; Marketing and Communications. The University's Board is committed to the delivery of its strategic plan, whilst also being mindful of the competitive challenges and risks that the sector environment presents. The University has set ambitious targets for growth and development over the strategic plan period but also ensures that its financial planning appropriately acknowledges the operational risks that exist.

As the published strategy and vision states, the University's mission is to transform lives in its region and beyond through education, training, research, business and community engagement. By the end of the strategic plan period the institution will be recognised as an empowering force for individual and community growth and development. It will be recognised for the major contribution it makes to the health and wellbeing of the people in its region and acknowledged for lasting social and sustainable economic transformation. Its students will come from diverse backgrounds and, as part of a connected community, its staff and students will reflect the University's values: Transformative; Collaborative; Empowering; Professional; Creative; Inclusive.

The measures by which the University assesses its performance are reviewed each year as part of a strategic planning round and comprise five core elements:

- Student population
- Student satisfaction
- Student employability
- Staff satisfaction
- Income diversification

Each successive planning round considers resourcing and investment business cases, and ensures that those cases which are focussed on delivering longer term strategic aims are prioritised.

The University monitors sector market developments and refines its portfolio to meet areas of strong student demand. The University also maintains an offer of higher and degree apprenticeships to levy paying employers in selected subjects.

The benefits to students and to the wider community arising from philanthropic giving to the institution will continue to be promoted. Fundraising efforts are aligned to the strategic priorities of the University and will complement the institution's own investment plans.

Student enrolment numbers for 2022/23 were 15,734 FTEs, which represents 0.8% growth compared to 2021/22.

University of Suffolk Ltd

Strategic report for the year ended 31 July 2023

The institution's response to the national lockdown during the pandemic included moving all courses to online delivery and the University used this experience to refine and develop its learning and teaching pedagogy through the introduction of 'Block and Blend' for subsequent years. Block refers to students' ability to focus on individual or complementary aspects of the curriculum at the same time, usually as single modules. Blend refers to the delivery methods, developed through strategic use of the online learning environment. Block and Blend represents a permanent and innovative change to the University's academic delivery and is being rolled out across the portfolio.

For 2023/24 the University predicts its total student enrolments to be 11,950 FTEs, representing a decline of 24%. Much of this decline relates to market and economic forces and the impact from the cost of living crisis. This has impacted student recruitment across the UK including our partnership arrangements. Each partner operates under an agreed student recruitment limit in order that growth can be managed appropriately.

The University continues to maintain its successful track record of delivering high quality courses in health and social care, working with its partners to support the workforce needs of the region. The strength of these partnerships is represented through the widespread support shown for the establishment of the Integrated Care Academy at the University as well as through the funding received to develop substantial new facilities in the Health and Wellbeing Building on campus. The building also houses public-facing clinics to support the work of Suffolk Mind and AHP Suffolk which provide placement opportunities for students.

In accordance with its institutional strategy, the University is actively seeking to diversify its income streams, particularly from research, enterprise and consultancy activities. Total income from these sources during the year was £4,017k (2022: £3,190k).

Financial highlights

In 2022/23, the University of Suffolk reports a surplus of £15,847k (2022: surplus of £2,739k). Excluding the movement on the USS Recovery Provision of £4,033k (2022: £(15,925k)), the University generated a surplus of £11,814k (2022: £18,664k).

The net cash inflow in the year from operating activities was £18,915k (2022: £18,740k) and the net cash inflow from capital expenditure was £478k (2022: £(11,845k)). The overall increase in cash and cash equivalents in the year was £18,193k (2022: £5,159k), resulting in a year-end balance of cash and cash equivalents of £62,090k (2022: £43,897k) and bank debt of £15,426k (2022: £16,073k).

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Strategic report for the year ended 31 July 2023

Key financial indicators

The company's key financial indicators during the year were as follows:

	2023	2022
	<u>£'000</u>	<u>£'000</u>
Total income	144,399	135,223
Surplus	15,903	3,303
Surplus as a proportion of total income	11.0%	2.4%
	2023	2022
Proportion of income generated from:		
• Office for Students Grants	5%	4%
• Education Contracts	1%	0%
• Tuition Fees	83%	90%
• Research Contracts	1%	1%
• Other Income	10%	5%
	2023	2022
	<u>£'000</u>	<u>£'000</u>
Total balance sheet funds	57,510	43,617

The increase in total balance sheet funds to £57,510k (2022: £43,617k) arises from the surplus for the year, which is partly offset by the actuarial loss on Local Government Pension Scheme of £1,954k.

Financial outlook

Following an assessment of investment needs for the coming year and available cash reserves, the Board has approved a surplus revenue budget of £4,137k for 2023/24, noting that this would produce a net cash inflow from operating activities for the year of £7,137k and provide for capital expenditure of £2,850k.

A key focus of the University's strategic plan is to deliver sustainable growth, and the Executive Committee is committed to prioritising initiatives which enhance the experience of its students and other service users, thus increasing the appeal of the University to local, national and international audiences.

The ongoing deterioration in the real-terms value of tuition fees presents major challenges to the whole higher education sector. Opportunities for portfolio growth and delivering efficiency in operations are constantly sought. One area of innovation has been the establishment of the University of Suffolk Dental CIC; a social enterprise which from early 2024 will not only deliver NHS dental care to the local population to help address a substantial shortfall in NHS dentists, but will also permit the University to launch academic programmes in dental hygiene and dental therapy.

The coming decade will see substantial demographic growth in school leavers, particularly in the South and East of England, whilst demand among young people for a university education is as high as it has ever been. Whilst this presents a significant opportunity for the University to increase its population of school leavers, competition for this group of students is fierce among higher education providers. Therefore the University must ensure that not only is its academic portfolio distinctive and attractive, but also that the wider student experience it offers is competitive and meets applicants' expectations. The University will therefore prioritise investment in its campus and facilities to ensure it meets the expectations of the next generation of university applicants.

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Strategic report for the year ended 31 July 2023

Growth in research activity and outputs will be an important factor in ensuring the University develops and matures as an academic institution. The coming year will see further development and growth in each of its research institutes and centres: Institute for Health and Wellbeing; Institute for Social Justice & Crime; Digital Futures Institute; Suffolk Sustainability Institute; Centre for Culture and Heritage; Centre for Excellence in Learning and Teaching; Integrated Care Academy.

The University has received approval of its Access and Participation Plan 2020/21 to 2024/25 from the Office for Students (OfS). The University's tuition fees for UK full-time undergraduates for 2023/24 entry will be £8,220 for Foundation degrees and £9,250 for Bachelor degrees. Tuition fees for UK part-time undergraduates will be £8,220 (pro-rata) for Foundation degrees and £8,724 (pro-rata) for Bachelor degrees.

In 2022/23, the third year of the Access and Participation Plan, the University spent £9.3m on student access and participation measures against four categories: Access Investment; Financial Support; Disability Support; and Research and Evaluation. Changes were made to students' financial support such as opening up bursaries to re-enrolling students and also introducing a new Digital Technology Support bursary to help support students in purchasing laptops or other technology needed for their studies.

Trade Union Facility Time

The University is required to report on Trade Union Facility Time under the Trade Union (Facility Time Publication Requirements) Regulations 2017. The annual reporting period for this data is 1 April 2022 to 31 March 2023.

Number of employees who were relevant union officials during the relevant period	10
Full time equivalent employee number	9.4
Percentage of time spent on facility time	Number of employees
0%	-
1%-50%	10
51%-99%	-
100%	-
Percentage of pay bill spend on facility time	
Total cost of facility time	£48k
Provide the total pay bill	£28,386k
Percentage of the total pay bill spent on facility time	0.17%
Paid trade union activities	
Hours spent on facility time	1,098
Hours spent on paid trade union activities	549
Time spent on trade union activities as a percentage of total paid facility time hours	50%

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Strategic report for the year ended 31 July 2023

Principal risks and uncertainties and financial risk management

The University has in place a risk register which is regularly reviewed by the Executive Committee and is overseen by the Audit and Risk Committee. Any changes to existing risks, including the impact, likelihood and mitigating actions taken, are reported to the Board. The key risks identified are informed by the University's strategic plan and are also linked to the internal audit planning process. The risk register includes a system of scoring designed to assess the likelihood and impact of the risks identified. In this way the register identifies for each risk:

- the gross risk (before any mitigating actions are undertaken);
- the mitigating actions identified and the senior manager responsible; and
- the net risk (assuming that such actions are undertaken and successful).

This method allows the Audit and Risk Committee and senior managers to monitor the mitigations required. Outlined below are the principal risks together with the mitigating actions identified.

Fail to recruit sufficient students

Robust digitally focussed marketing is delivered to a diverse market and increasingly efficient recruitment processes are developed. Strategic plans for growth are progressed via a robust planning process including the assessment of individual subject areas and markets. Portfolio development is a priority. Improved national reputation, brand and visibility is carefully articulated through each successive marketing campaign. Capital investments to support the delivery of the University's strategic growth plan are prioritised in the resource allocation process.

Fail to mitigate risks related to partnership activity

A strategic review of partnerships is undertaken including limiting the number of UK partners and introducing student number caps. Robust scrutiny of all partnership proposals includes due diligence checks, financial review and Board approval where required. Partnership approval processes are compliant with the QAA Quality Code. A Partnership Management Group is established for each partner to monitor the performance of each partner.

Fail to mitigate or respond to cyber security or other attacks on IT infrastructure and systems

Proactive threat reviews are undertaken and immediate patching initiated for risks identified. Regular cyber-focus communications are delivered to all systems users. Baselining of the University's cyber risk profile is undertaken through the sector agency JISC, along with penetration testing.

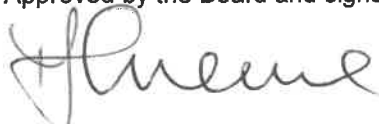
Fail to ensure financial sustainability

Robust procurement processes and regular review of major service contracts and other large expenditure are undertaken to deliver value for money. Prudent financial planning is ongoing with reference to banking covenants. Continued focus on protection of cash balances to support investment opportunities but also to provide contingency funds. The Board review and approve all externally submitted annual financial returns and forecasts to support financial sustainability for the next 5 years.

Fail to achieve targets in relation to student satisfaction, retention and employability

The strategy for Learning, Teaching and Assessment is being implemented, taking forward proposals in relation to retention and progression with a model of guided independent learning, placing students at the centre of the learning experience. The introduction of 'block and blend' teaching delivery is designed to assist progression and retention of students. A Student Experience Task Group is established to implement changes and monitor progress.

Approved by the Board and signed by its order by



Mr T J Greenacre
Company Secretary

University of Suffolk Ltd

Directors' report for the year ended 31 July 2023

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed on page 1 of the annual report.

Financial risk management

The directors consider the key business risks and uncertainties affecting the University. The current key risks are identified and discussed within the Strategic report.

Employee involvement and equal opportunities

The University is fully committed to a policy that provides all employees with equality of opportunity for employment, career development and selection on the basis of ability, qualifications and suitability for the job. Senior management, managers and employees are required to promote equality of opportunity and to take full account of the policy in their day to day work.

The University values the diversity of those studying and working at the institution and it is committed to developing policies, processes and teaching and learning practices to tackle inequality and exclusion. The University has an established Equality, Diversity and Inclusion Committee and has put in place monitoring mechanisms to understand the impact of our policies and procedures on students and staff. This includes collecting data on all protected characteristics as defined by the Equality Act 2010. The University publishes an annual Equality and Diversity Report on its website, alongside with annual Gender Pay Gap Reports.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned: the University is a "two ticks" employer. In the event of members of staff becoming disabled, all reasonable steps are taken to ensure that their employment with the University continues and that appropriate training and/or reasonable adjustments to their employment conditions are arranged.

Consultation with employees takes place through a number of meetings throughout the year, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the general progress of the company as a whole.

Consultative meetings include formal consultation with trade union representatives, periodic attendance by senior managers at local team meetings, all staff forums and project specific group work. The University undertakes a biennial staff survey which seeks the views of staff about a wide range of issues affecting their employment; results and subsequent action plans are published widely.

Vice-Chancellor's Remuneration

The University's Remuneration Committee determines and reports to the Board on the salary of the Vice-Chancellor and other members of the Executive. No individual is present for a discussion which involves the determination of their own salary. The Committee determines that the salary of the Vice-Chancellor is appropriate to the institutional context, size, and the responsibilities of the role. In addition, the Committee considers the public interest in all forms of payment made to senior staff. The agreed salary of the Vice Chancellor allows for cost of living rises in line with national agreement on increases for the sector. Performance of the Vice-Chancellor is monitored by objectives which are reviewed by the Remuneration Committee.

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year, and at the date of approval of the financial statements.

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Directors' report for the year ended 31 July 2023

Disclosure of information to auditors

Each of the directors in office confirm that, so far as they are aware, at the date of signing these financial statements there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Our auditors, Scrutton Bland LLP transferred their audit registration and therefore that part of their business to a newly incorporated limited liability partnership, SB Audit LLP, on 1 April 2023. Accordingly, Scrutton Bland LLP formally resigned as the Company's auditor with the directors duly appointing SB Audit LLP to fill the vacancy arising.

Other matters

The Directors have had regard to the need to foster the University's business relationships with suppliers, customers and others as set out in the Strategic report and Statement for public benefit, which also includes performance in relation to energy usage and environmental sustainability.

Statement of the Board of Directors responsibilities in respect of the Annual report and the financial statements

The Board of Directors are responsible for preparing the Annual report and the financial statements in accordance with the requirements of the Office for Students' terms and conditions of funding for higher education institutions and Research England's terms and conditions of grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing the University's financial statements, the directors are required to:

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

The Board of Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

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Directors' report for the year ended 31 July 2023

The Board of Directors are also responsible for ensuring that:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

Availability of financial statements on the web site

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

Approved by the Board and signed by its order by



Mr T J Greenacre
Company Secretary

University of Suffolk Ltd

Statement of corporate governance and internal control

The following statement is given to assist readers of the financial statements in gaining an understanding of the governance structures of the University and to summarise the institution's arrangements for implementation of best practice for internal control and risk management. This statement covers the full financial year and up to the date of approval of the financial statements.

The University of Suffolk is a company limited by guarantee. The primary documents of governance are the company's Articles of Association, and the principal statutory body of the University is its Board of Directors ("the Board"). All members of the Board are directors of the company under the Companies Act 2006 and are also members of the company. The Articles of Association require that at least half of the Board shall be independent directors and provide for University staff and student representation on the Board.

Principles and ethos of the University

The University of Suffolk is committed to the highest standards of governance, which is vital to achieving the organisation's vision and strategic objectives. Throughout its governance and management, the institution subscribes to the Nolan principles which are the basis for the ethical standards expected in public life. The University also wholeheartedly subscribes to the values and primary elements of the 'Higher Education Code of Governance' (the Code) which was published in September 2020.

Board structure

The Board normally meets four times a year and has three sub-committees: Nominations Committee; Remuneration Committee; and Audit and Risk Committee. The actual number of meetings of the board during the year under review was five. Each of the sub-committees is formally constituted with written terms of reference, specified membership and delegated powers. Day to day management of the University is the responsibility of the Executive Committee which is headed by the Vice-Chancellor and Chief Executive Officer. The Vice-Chancellor and Chief Executive Officer is an ex-officio director of the company.

The Nominations Committee makes recommendations for the appointment of directors and external, co-opted members of the Board's sub committees (who are not directors of the company). The committee met three times during the year.

The Remuneration Committee determines the annual remuneration and conditions of senior staff, including the Vice-Chancellor and Chief Executive Officer. The Remuneration Committee is also responsible for recommending general changes in pay and conditions to the Board. The committee met twice during the year.

The Audit and Risk Committee met four times during the year. Its main duties include:

- To prepare an annual report for submission to the Board on the work of the Audit and Risk Committee, including an opinion on the effectiveness of internal control, the arrangements in place to promote economy, efficiency and effectiveness and value for money and assurances over the processes for risk management and data quality.
- To advise the Board on risk management through the review of the risk register and other activities.
- To advise the Board on its conclusions on whether adequate arrangements are in place to promote value for money initiatives.
- To review the effectiveness of financial and other internal control systems, including oversight of the institution's policy on fraud and irregularity and anti-bribery.
- To monitor the effectiveness of internal and external audit, and co-ordinate the activity of the internal and external auditors.
- To make recommendations to the Board on the appointment of the External Auditor and, if necessary, on their dismissal.
- To approve the External Auditor's report on the nature and scope of the audit and to receive and consider the External Auditor's management letter in connection with the audit of the Financial Statements and the management response.
- To advise on the appointment of the Internal Auditor and, if necessary, on their dismissal.

University of Suffolk Ltd

Statement of corporate governance and internal control

- To approve the internal audit programme with reference to the risk register, and to review the work of the Internal Auditor and receive an annual report prepared by the Internal Auditor.

Academic authority for the University is overseen by the Senate. The Senate is responsible for the promotion of academic work both in teaching and research, for the regulation of educational arrangements and for the maintenance of academic discipline.

Statement of internal control

The Board is responsible for the company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

As part of the process for identifying, evaluating and managing the University's significant risks, a comprehensive review of the risk register is undertaken by the Audit and Risk Committee and the Executive Committee, and the outcomes reported to the Board for review and action where necessary.

The key elements of the University's system of internal control, which is designed to discharge the responsibilities in relation to business, operational, compliance and financial risks, include the following:

- clear definitions of the responsibilities of, and authority delegated to, heads of academic departments and professional services;
- a short and medium term planning process, supplemented by detailed annual income, expenditure and capital budgets;
- regular reviews of key performance indicators and reviews of financial performance involving variance reporting and updates of financial outturns;
- integration of risk management into normal business processes with alignment to the strategic objectives of the institution;
- defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to appraisal and review according to approval levels set by the Board;
- a professional internal audit team whose annual programme is approved by the Audit and Risk Committee;
- a risk register which is scored according to the likelihood and impact of the key risks, which are informed by the strategic plan and also linked to the internal audit planning process.

As part of the review of the effectiveness of the system of internal controls, plans are put in place to address any weaknesses identified and ensure continuous improvement of the system of internal controls as necessary. The effectiveness of the system of internal controls is reviewed at least annually by the Audit and Risk Committee, informed by the work of the internal auditor.

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Statement of corporate governance and internal control

Proper allocation of funds

The directors of the Board have taken reasonable steps to:

- ensure that funds originating from the Office for Students are used only for the purposes for which they have been given and in accordance with the terms and conditions of funding between the Office for Students and institutions and any other conditions that the OfS may prescribe from time to time;
- 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 and to prevent and detect fraud and other irregularities; and
- secure the economic, efficient, and effective management of the University's resources and expenditure.

Going concern

The directors have prepared projections in support of the company's cash requirements in addition to its on-going compliance with the terms of its bank facilities. The directors have given this matter careful consideration and, cognisant of the above matters, the Board is satisfied that the University has adequate resources to continue in operation for at least twelve months from the date of this report. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

Approved by the Board and signed by its order by



Mr T J Greenacre
Company Secretary

University of Suffolk Ltd

Statement of public benefit

The University of Suffolk is a company limited by guarantee and is an exempt charity under the terms of the Charities Act 2011.

In setting and reviewing the University's objectives and activities, the Board has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. This statement recognises the reporting requirements introduced by the Office for Students as the principal regulator of English higher education institutions under the Charities Act 2011.

Vision and Mission

The University's strategy, vision and mission is laid out in its publication 'Transforming Lives and Our Region'. The University's mission is to transform lives and its region through education, training, research, business and community engagement.

The company's objects include the following:

- the advancement of education, learning and research for the public benefit;
- to collaborate with other institutions in advancing, providing and delivering education and to contribute to the growth and change of learning needs in Suffolk and beyond including, without limitation, by drawing together academic, technological, pedagogic and professional expertise;
- to promote academic and applied research and all other types of research, teaching, scholarship and knowledge transfer;
- to support, aid and assist in any way the activities of other charitable institutions concerned with the advancement of education, learning and research for the public benefit.

Of the 12 specific categories of charitable purposes set out in the Charities Act 2011, the University makes a significant contribution in the following areas:

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

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

- The University undertakes teaching and research under a wide range of academic subject areas.
- The University freely produces reports and publishes research findings in a range of different formats which are widely disseminated and accessible by the general public;
- Graduates of the University subsequently work in the NHS, government, charities and other not for profit organisations, continuing to the broad charitable aims supported by the University.
- The Suffolk Institute for Social and Economic Research (SISER), provides an innovative approach to interdisciplinary research and a high quality evaluation service on domestic abuse; sexual abuse; online risk; social migration; youth justice and youth unemployment, to inform real-world public policy.
- The University, working with partners, has played a lead role in establishing the UK's first Integrated Care Academy (ICA) on its campus. Working with a range of NHS and local authority partners, the ICA is a centre of excellence for integrated health and social care practices, aiming to deliver positive benefits to its local communities across Suffolk and North East Essex.

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Statement of public benefit

The University actively pursues its charitable objectives by means of a variety of direct and indirect routes. The University's direct beneficiaries are undergraduate and postgraduate students and those who benefit from the research undertaken at the University.

The University is a major supplier of graduate skills for its local healthcare providers, and its £13m investment in its Health and Wellbeing Building provides two floors of brand-new clinical simulation facilities, a new sports and exercise facility, physiotherapy simulation laboratories, a working radiography imaging suite, therapeutic radiotherapy areas, and working clinics for counselling and psychotherapy, physiotherapy and sports therapy. The new facility will help to deliver a highly skilled graduate workforce - each year providing qualified nurses, physiotherapists, paramedics, social workers, and psychotherapists to enter the health and social care system.

Values

The values of the University of Suffolk are set out below.

- **Transformational:** We believe in the power of education to deliver positive change for the individuals and communities we work with.
- **Inclusive:** We are a community built on respect, fairness and compassion. We debate our differences sensitively and celebrate the strength and creativity that a diverse community gives us.
- **Creative:** We dare to challenge established beliefs, generate new ideas and strive to change the communities we serve. We are innovative in finding new ways and solutions to advance the boundaries of knowledge and address real-life issues.
- **Empowering:** We inspire our students and staff to be the best they can be and support them to realise their potential and goals.
- **Collaborative:** We thrive through inclusive, trusting and supportive relationships which builds a sense of community and mutual responsibility and helps to achieve our shared goals.
- **Professionalism and service:** We strive to deliver the highest standards of service and scholarship, both internally between academics and professional services colleagues, and externally between all University staff.

Access and participation

In order to demonstrate that the aims and activities of the University are for the public benefit, such benefits must be for the general public, or at least a wide and appropriately defined section of the public. It is important that the opportunity to benefit is not unreasonably restricted given the nature of the University's aims and the resources it has available. One such potential restriction is the ability to pay any fees charged by the University. In common with other similar organisations, the University does recover from students a contribution to the cost of their tuition, currently capped at the level set by government. In order to ensure that such fees do not unreasonably restrict access to the benefits of a university education, the government provides tuition loans to cover the upfront costs which are only repayable if students subsequently earn above a minimum level of income in future years. In addition, universities which charge students in this way must agree to safeguard and promote fair access to higher education. This is assessed by the Office for Students through its approval of each institutions' Access and Participation Plan (APP). The University of Suffolk has received approval for its latest APP which covers the period 2020/21 to 2024/25.

Demonstrating public benefit, however, extends far beyond the question of fees, and the University is particularly aware of the need to ensure that people from all backgrounds can participate in, and benefit from its activities. Not everyone has the same level of educational opportunity, support or information available to enable them to secure university education. For this reason the University has put in place a range of activities designed to widen participation to students that might not otherwise benefit.

University of Suffolk Ltd

Statement of public benefit

To that end the University of Suffolk aims to be a beacon of excellence in attracting students from Suffolk and beyond, helping to reverse the net export of graduates and the low post-16 participation rate which has adversely affected Suffolk for many years. Widening participation continues to be central to the mission of the University of Suffolk, and the profile of its student population reflects this. The University has a high proportion of under-represented students, and there is a broad mix of students across the undergraduate student body. The University has ambitious targets for each of the four categories identified in its APP: Access Investment; Financial Support; Disability Support; and Research and Evaluation.

Schools and Colleges Liaison

The student recruitment team of the University works with schools and colleges to inform students about the higher education opportunities available to them; this includes delivery of presentations and workshops, and individual student advice. A range of on-campus visits to the University as well as residential visits over the summer are also held to give potential applicants a 'taste' of university life.

We recognise that information, advice and guidance (IAG) plays a key role in supporting and informing the choices of young people and mature students and we will continue to focus on delivering excellent IAG support across all of our activities. We will continue to work in a structured way with schools and colleges with low progression rates to higher education, as well as with communities with low participation rates including mature and part-time students.

National Network for Collaborative Outreach scheme (NNCO)

The NNCO delivers a nationally co-ordinated approach to working with schools, universities and colleges to help people access higher education. Local and regional providers of higher education have come together to form the networks, ensuring comprehensive coverage across England.

Thirty-five local networks cover the whole of England. Each network appoints a single point of contact to help teachers and advisers find out about higher education outreach activity in their area and to provide general advice about progression into higher education. The local networks host websites with information about outreach activity, and signpost other information to support schools and colleges as they prepare their students for higher education. The networks are funded by the Department for Education and managed by the Office for Students.

The University of Suffolk is a partner in the Network for East Anglian Collaborative Outreach (neaco) alongside the University of Cambridge, Anglia Ruskin University, University of East Anglia and Norwich University of the Arts. NEACO places a network of Higher Education Champions (HECs) into target schools across Suffolk, Norfolk, Cambridgeshire and Peterborough, and ten HECs are based in Suffolk. The University of Suffolk's outreach activity work alongside the NEACO project to ensure that young people who are not NEACO priority students continue to receive aspiration-raising activity, particularly where they are in one of the University's target groups.

Student bursaries

The University of Suffolk safeguards and promotes fair access to all of its OfS-regulated full-time and part-time undergraduate programmes, recognising the need to support students throughout the whole student lifecycle. The University's Access and Participation Plan includes a package of financial and non-financial support measures to support access, student success, and progression. The accessibility to students of bursaries to address financial hardship and digital poverty has recently been widened.

University of Suffolk Ltd

Statement of public benefit

Value for money

The Board has an explicit duty imposed by the terms and conditions of funding with the OfS to ensure the proper use and allocation of funding received and the delivery of value for money. The institution's Audit & Risk Committee is presented with an annual report on value for money by the Executive Committee to assist it in reaching its conclusions on the adequacy and effectiveness of the University's arrangements.

The University seeks to deliver value for money across all of its activities and to all of its stakeholders. A particularly high level of focus is placed upon the services delivered to students and their overall experience whilst at the University. Ensuring value for money is received by students is a high priority for the University. The quality of learning and teaching and student support is a key component of the drive to deliver high levels of student satisfaction and graduate employability. This is reflected in the key performance indicators monitored by the Board.

Remuneration Policy

In setting the remuneration policy of the institution the Board is cognisant of the guidance issued by the OfS relating to the consideration of the public interest in the reward and payment of staff.

Modern Slavery and Human Trafficking

In accordance with the Modern Slavery Act, we have published a statement on our website in relation to Modern Slavery and Human Trafficking to accompany our financial statements. The University of Suffolk has a zero-tolerance approach to modern slavery and is committed to improving our practices to combat slavery and human trafficking.

Community engagement

The University of Suffolk has at the heart of its mission a responsibility to be a model for a new type of university – embedded, influential and a focus of societal and economic change in the communities it serves. Its network is reaching out to communities locally, nationally and across the globe, connecting with people and organisations to create relationships, collaborations and partnerships that can make a real difference.

The University's 'Transforming Lives and Our Region' states: To fulfil its mission the institution will be recognised as an empowering force for individual and community growth and development. It will be recognised for the major contribution it makes to the health and wellbeing of the people in its region and acknowledged for lasting social and sustainable economic transformation. Its students will come from diverse backgrounds and, as part of a connected community, its staff and students will carry the University's values of inclusiveness and tolerance.

The University promotes research and scholarship across the institution, informing its learning and teaching and enterprise initiatives. It also promotes and disseminates the impact of its research externally through effective public engagement with business, public bodies and local communities.

In an innovative partnership with the NHS, the University has established the University of Suffolk Dental CIC; a social enterprise which from 2024 will deliver NHS dental care to the local population to help address a substantial shortfall in NHS dentists. Alongside the CIC, the University is launching degrees in dental hygiene and dental therapy to support the future dentistry workforce.

University of Suffolk Ltd

Statement of public benefit

Sustainability policy

The University of Suffolk takes a strategic approach to sustainable development across all of its operations and activities. Meeting our sustainable development objectives is crucial to both students, staff and the wider local community. Within this community, we hold an important academic and economic position, coupled with an accountability to ensure the protection of our environment through the pursuit of excellence in social and corporate responsible, using the framework of the United Nations Sustainable Development Goals. This responsibility is reflected in the work we conduct through the Suffolk Sustainability Institute, in collaboration with our partnership organisations.

The University requires its activities to meet or exceed the conformance requirements of applicable environmental regulations, standards and guidelines. Rising to this challenge we work to:

- ensure compliance with all relevant regulations and legislation
- ensure sustainability is understood by staff, students and stakeholders and is further embedded within all aspects of University strategy, planning and activities
- reduce carbon and greenhouse gas emissions through the reduction in energy use in line with the University of Suffolk Carbon Management Strategy with a view to achieving Scope 1 and 2 Net Zero and ensure full application of the waste management hierarchy to increase recycling rates and pursue zero waste to landfill; University of Suffolk Ltd Statement of public benefit
- ensure Campus development and maintenance identifies minimum standards for sustainability in materials procurement and operational use, with an emphasis on water and energy efficiency and the circular economy
- ensure that biodiversity opportunities are identified, implemented and enhanced when considering land use, development and construction practices as laid out in the Biodiversity Plan
- ensure that sustainable travel and transport is supported and facilitated for both staff and students as laid out in the Travel Plan

During 2022/23 the University can confirm that:

- the annual quantity of emissions in tonnes of carbon dioxide equivalent from the combustion of gas was 153.65 tCO₂e and the purchase of gas was £35,972
- the annual quantity of emissions in tonnes of carbon dioxide equivalent from the use of electricity was 10.70 tCO₂e and the purchase of electricity was £1,174,265
- the total carbon for scope 1 and 2 emissions in tonnes of carbon dioxide equivalent was 164.35 tCO₂e
- the annual quantity of kWh for the combustion of gas during 2022/23 was 763,298 kWh and the energy consumed from electricity was 3,090,388 kWh. Of this, 56,321kWh were produced through on-site renewable generation and 2,978,256 kWh from Carbon Trust certified off site renewable generation, representing 78.7% of total kWh consumption.

Following on from the successful completion the University of Suffolk's carbon target to reduce carbon by 43% by 2020 against the 2010 baseline, the University is now in the process of transitioning towards carbon net zero for scope 1 and 2 emissions.

University of Suffolk Ltd

Statement of public benefit

With an increase in campus footfall during 2022/23, utilities demand across the estate has increased. However, the positive impact of energy efficiency and carbon reduction measures, implemented since 2019/20, are visibly evident within our estate metrics. Despite an uplift in all building usage and the addition of a new building to the estate portfolio the University achieved a 93% reduction in carbon emissions against the 2010 baseline which is an improvement on 21/22.

We are also delighted to be named Green Business of the Year through Suffolk County Council Greenest County Awards.

A full report showing sustainability performance, operational activities and engagement programs for 2022/23 will be published on the University's website in November 2023.

Approved by the Board and signed by its order by



Mr T J Greenacre
Company Secretary

**INDEPENDENT AUDITOR'S REPORT TO BOARD OF DIRECTORS OF
UNIVERSITY OF SUFFOLK LTD**

Opinion

We have audited the financial statements of University of Suffolk Ltd ("the University") for the year ended 31 July 2023 which comprise the Statement of comprehensive income and expenditure, Statement of financial position, Statement of cash flow and Statement of changes in reserves, and related notes, including the Statement of accounting policies.

In our opinion, in all material respects:

- the financial statements give a true and fair view of the state of the University's affairs as at 31 July 2023, and of the University's income and expenditure, gains and losses and changes in reserves, and of the cash flows, for the year then ended. They should also take into account relevant statutory and other mandatory disclosure and accounting requirements and the requirements of the OfS and of Research England and of other funders;
- the financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Statement of Recommended Practice – Accounting for Further and Higher Education;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.
- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- the requirements of the Accounts Direction issued by the Office for Students have been met.

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.

University of Suffolk Ltd

Independent Auditor's Report

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 entity'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the Strategic report, Directors' report, Statement of corporate governance and internal control Statement of public benefit. The directors are responsible for the other information. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

University of Suffolk Ltd

Independent Auditor's Report

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We also have nothing to report in respect of the following matters in relation to which the Office for Students accounts direction requires us to report, where:

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

University of Suffolk Ltd

Independent Auditor's Report

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 8 & 9 the directors 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 directors 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 directors 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 directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditors 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:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), inspection of the company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

Firstly, the University is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the University is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of the Office for Students, Ofsted, UK Border Agency requirements and UK Visas and Immigration rules, health and safety, building regulations, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption, and UK GDPR. Auditing standards limit the required audit procedures to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

University of Suffolk Ltd

Independent Auditor's Report

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the University complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 directors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 its Directors as a body, for our audit work, for this report, or for the opinions we have formed.

SB Audit LLP

Mr Timothy O'Connor (Senior Statutory Auditor)

For and on behalf of:

SB Audit LLP
Chartered Accountants & Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 30/11/23

University of Suffolk Ltd
Statement of Comprehensive Income and Expenditure
Year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Income			
Tuition fees and education contracts	1	121,019	122,393
Funding body grants	2	6,840	5,442
Research grants and contracts	3	1,693	1,069
Other income	4	13,622	6,227
Investment income	5	1,188	41
Total income before endowments and donations		144,362	135,172
Donations and endowments	6	37	51
Total income		144,399	135,223
Expenditure			
Staff Costs - excluding Movement on USS provision	7	29,741	27,014
Staff Costs - Movement on USS provision	7	(4,822)	15,857
Other operating expenses	8	95,642	81,772
Depreciation	10	6,194	6,105
Interest and other finance costs	9	1,741	1,172
Total expenditure	8a	128,496	131,920
Surplus before other gains, losses and share of operating surplus / (deficit) of joint ventures		15,903	3,303
Share of operating surplus/(deficit) in associate	11a	-	-
Loss on investments	11b	(56)	(564)
Surplus for the year (a)		15,847	2,739
Actuarial (loss) / gain in respect of pension schemes	22b	(1,954)	8,328
Total comprehensive income for the year		13,893	11,067
Represented by:			
Endowment comprehensive expenditure for the year		(10)	(10)
Restricted comprehensive (expenditure) / income for the year		(79)	36
Unrestricted comprehensive income for the year		13,982	11,041
		13,893	11,067
Isolated effect of USS Pension Provision Movement			
		£'000	£'000
(a) Surplus for the year		15,847	2,739
Movement on USS provision (inclusive of interest and other finance costs - see note 9)		(4,033)	15,925
Surplus for the year with USS provision movement excluded		11,814	18,664

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 28 to 45 form part of these financial statements.

University of Suffolk Ltd
Statement of Financial Position
As at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Tangible fixed assets	10	72,809	76,752
Investments	11	9,374	9,430
Investment in associate	11	-	-
Local Government Pension Scheme	22b	-	1,813
		<u>82,183</u>	<u>87,995</u>
Current assets			
Trade and other receivables	12	33,870	43,877
Cash and cash equivalents	13	62,090	43,897
		<u>95,960</u>	<u>87,774</u>
Less: Creditors: amounts falling due within one year	14	<u>(47,995)</u>	<u>(52,758)</u>
Net current assets		<u>47,965</u>	<u>35,016</u>
Total assets less current liabilities		130,148	123,011
Creditors: amounts falling due after more than one year	15	(52,367)	(55,090)
Provisions			
Universities Superannuation Scheme provision	16	(19,659)	(23,692)
Enhanced Pension provision	16	(612)	(612)
Total net assets		<u>57,510</u>	<u>43,617</u>
Restricted Reserves			
Income and expenditure reserve - endowment reserve	17	49	59
Income and expenditure reserve - restricted reserve	17	14	93
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		57,447	43,465
Total Reserves		<u>57,510</u>	<u>43,617</u>

The financial statements were approved by the Board of Directors and were signed on its behalf by:



Mr J Ailles
Chair of Board of Directors

Date: 28/11/23

Registered Number: 05078498



Professor H Langton
Vice-Chancellor

The accompanying notes and policies on pages 28 to 45 form part of these financial statements.

University of Suffolk Ltd
Statement of Cash Flows
Year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus for the year		15,847	2,739
Adjustments			
Depreciation	10	6,194	6,105
Decrease/(increase) in debtors	12	10,007	(11,340)
(Decrease)/increase in creditors	14/15	(5,766)	7,327
(Decrease)/increase in other provisions	16	(4,169)	15,818
Adjustment for investing or financing activities			
Investment income	5	(1,188)	(41)
Interest payable	9	1,741	1,172
Capital grant income		(3,807)	(3,610)
Non-current investment fair value adjustments		56	570
Net cash inflow from operating activities		18,915	18,740
Cash flows from investing activities			
Capital grant receipts		2,729	8,620
Non-current investment acquisitions		-	(10,000)
Payments made to acquire fixed assets		(2,251)	(10,465)
Net cash inflow/(outflow) from investing activities		478	(11,845)
Cash flows from financing activities			
Interest paid		(1,741)	(1,172)
Interest received		1,188	41
Repayments of amounts borrowed		(647)	(605)
Net cash outflow from financing activities		(1,200)	(1,736)
Increase in cash and cash equivalents in the year		18,193	5,159
Cash and cash equivalents at beginning of the year	13	43,897	38,738
Cash and cash equivalents at end of the year	13	62,090	43,897

The accompanying notes and policies on pages 28 to 45 form part of these financial statements.

University of Suffolk Ltd
Statement of Changes in Reserves
Year ended 31 July 2023

	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2021	69	57	32,424	32,550
Surplus / (deficit) from the income and expenditure statement	(10)	36	2,713	2,739
Other comprehensive income	-	-	8,328	8,328
Total comprehensive income / (expenditure) for the year	(10)	36	11,041	11,067
Balance at 1 August 2022	59	93	43,465	43,617
Surplus / (deficit) from the income and expenditure statement	(10)	(79)	15,936	15,847
Other comprehensive income	-	-	(1,954)	(1,954)
Total comprehensive income / (expenditure) for the year	(10)	(79)	13,982	13,893
Balance at 31 July 2023	49	14	57,447	57,510

The accompanying notes and policies on pages 28 to 45 form part of these financial statements.

University of Suffolk Ltd

Statement of Accounting Policies

Year ended 31 July 2023

Basis of preparation

These financial statements are prepared on a going concern basis, in accordance with the historical cost convention and in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102). The University of Suffolk Ltd ("the University" or "the company") is a company domiciled in the UK. The currency used in the financial statements is pound sterling and the figures have been rounded to the nearest thousand, unless otherwise stated. The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS102.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS102, the company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

Format of financial statements

The financial statements contain information about the University of Suffolk Ltd as an individual company and do not include those of the students' union, as it is a separate entity in which the company has no financial interest, no control or significant influence over policy decisions. The financial statements have been prepared to conform with the Companies Act 2006, the Office for Students (OFS) Accounts direction to higher education institutions, and also with the Statement of Recommended Accounting Practice (SORP): Accounting for Further and Higher Education 2019, the use of which has been mandated by the terms of the funding arrangements in place between the University of Suffolk and the Office for Students.

Going concern

The directors have prepared projections in support of the company's cash requirements in addition to its on-going compliance with the terms of its bank facilities. The financial position of the company is set out in the strategic report.

The directors have given this matter careful consideration and the Board is satisfied that the University has adequate resources to continue in operation for at least twelve months from the date of this report. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

Income recognition

Grant funding including funding council block grant, research grants from government sources, and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Tuition fees and income from education contracts are stated gross and credited to the income and expenditure account over the period in which students are studying. Bursaries are accounted for gross as expenditure and not deducted from income.

Government capital grants are recognised in income over the expected useful life of the asset to which the grant relates. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Investment income is credited to the income and expenditure account on a receivable basis.

University of Suffolk Ltd

Statement of Accounting Policies

Year ended 31 July 2023

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed 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 through a reserve transfer.

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

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

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

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

Gifts in kind, including donated tangible fixed assets

Gifts in kind are reflected in 'other income' or 'deferred capital grants' as appropriate.

Agency arrangements

Funds that the University receives and disburses as a paying agent on behalf of a funding body are excluded from the income and expenditure of the University where it is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. Disclosures in relation to these arrangements are included in note 21 to the financial statements.

Long-term loans

Loans are initially recognised at transaction price including transaction costs and subsequently measured at amortised cost using the effective interest method.

Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA 2009 and section 471, and 478-488 CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of value added tax (VAT). Irrecoverable value added tax on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

University of Suffolk Ltd

Statement of Accounting Policies

Year ended 31 July 2023

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Donated tangible fixed assets are included at deemed cost based on a valuation at the date of donation.

Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the Accounting for Further and Higher Education 2019, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Under first-time adoption to FRS102, the University has elected to use this fair value as deemed cost.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, over the expected useful economic lives of the assets in equal annual instalments at the following principal rates:

Freehold buildings	2.0% - 2.5%
Building refurbishments	12.5% - 25%
Fixtures, fittings and equipment	12.5% - 25%
Computer equipment	25%

Freehold land, heritage assets, and assets in the course of construction are not depreciated.

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

The depreciation of the Tangible Fixed Assets related to The Hold are being depreciated over 98 years. This is in line with the lease contracts under which they were created.

Inherited fixed assets

Assets inherited from Suffolk New College are stated in the balance sheet at their fair value on transfer based on depreciated replacement cost.

Acquisition with the aid of specific grants

Where assets are acquired with the aid of specific government grants, they are capitalised and depreciated. The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related assets.

Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previous standard of performance is recognised in the income and expenditure account in the period it is incurred. The company has a planned maintenance programme, which is reviewed on an annual basis.

Provisions

Provisions are recognised in the financial statements when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits 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 discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

University of Suffolk Ltd

Statement of Accounting Policies

Year ended 31 July 2023

Accounting for retirement benefits

The company contributes to the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS).

USS

With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

LGPS

The amounts charged to the income and expenditure account are as follows. The current and past service costs and gains and losses on settlements and curtailments are included as part of staff costs. The expected return on assets, net of the impact of the unwinding of the discount on the scheme's liabilities, is shown within interest payable or other finance income. Actuarial gains and losses, including differences between expected and actual return on assets, are recognised immediately in the Statement of Comprehensive Income.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet.

Accounting for enhanced pension obligations

Liabilities in respect of enhanced pension obligations 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 of equivalent currency and term to the University's liabilities. The actuarial valuations are updated at each balance sheet date. Movements in the liability are recognised in the income and expenditure account in the period in which they arise.

Employment benefits

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

Cash and cash equivalents

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

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

Operating Leases

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

Investments

Investments in associates are carried at cost less impairment in the University's accounts.

Non-current asset investments are held at fair value where this can be readily determined, and cost where no market exists. The fair value movement in non-current investments is recognised in the Statement of Comprehensive Income and Expenditure.

Reserves

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

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

Notes to the Accounts

for the year ended 31 July 2023

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
1 Tuition fees and education contracts		
Tuition fees		
Full-time home and EU students	112,869	117,678
Full-time international students	2,847	1,215
Part-time students	3,139	2,662
Non-Credit bearing courses	544	389
	<u>119,399</u>	<u>121,944</u>
Education contracts		
Health Education East of England	1,412	288
Health and Care Professions Council	80	102
Research Training Support Grant	56	26
Other contracts	72	33
	<u>1,620</u>	<u>449</u>
	<u>121,019</u>	<u>122,393</u>
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
2 Funding body grants		
Recurrent grant		
Office for Students Teaching Grant	5,428	4,549
Office for Students Hardship Funding	244	25
Research England Higher Education Innovation Fund	296	92
Research England Research Grants	125	114
	<u>6,093</u>	<u>4,780</u>
Government agencies		
National College of Teaching and Learning	182	78
Deferred capital grants released in the year		
Buildings	393	411
Equipment	172	173
	<u>565</u>	<u>584</u>
Total funding body grants	<u>6,840</u>	<u>5,442</u>
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
3 Research grants and contracts		
Other grants and contracts	1,693	1,069
	<u>1,693</u>	<u>1,069</u>
The source of grant and fee income, included in notes 1 to 3 is as follows:		
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Grant income from the OfS - recurrent	5,428	4,549
Office for Students Teaching Grant	244	25
Grant income from the OfS - deferred capital grant release	565	584
Grant income from other bodies	2,296	1,353
Fee income for taught awards (exclusive of VAT)	120,323	121,869
Fee income from non-qualifying courses (exclusive of VAT)	696	524
Total grant and fee income	<u>129,552</u>	<u>128,904</u>

Notes to the Accounts

for the year ended 31 July 2023

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
4 Other income		
Deferred capital grants released in the year	3,242	3,026
Project income	888	2,026
Rent & Car Park Income	300	417
Other income	9,192	758
	13,622	6,227
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
5 Investment income		
Income from deposits	1,188	41
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
6 Donations and endowments		
Unrestricted donations	29	13
Restricted donations	8	38
	37	51
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
7 Staff costs		
Staff Costs:		
Salaries	23,053	20,867
Social security costs	2,171	1,932
	25,224	22,799
Movement on USS provision	(4,822)	15,857
Other pension	4,517	4,215
Total	24,919	42,871
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Emoluments of the Vice-Chancellor:		
Salary	248	205
The estimated money value of any other taxable benefits	1	1
Total before payments in lieu of pension contributions	249	206
Payments in lieu of pension contributions	40	38
Total	289	244

The University's Remuneration Committee determines and reports to the Board on the salary of the Vice-Chancellor and other members of the Executive. No individual is present for a discussion which involves the determination of their own salary. The Committee determines that the salary of the Vice-Chancellor is appropriate to the institutional context, size, and the responsibilities of the role. In addition, the Committee considers the public interest in all forms of payment made to senior staff. The agreed salary of the Vice-Chancellor allows for cost of living rises in line with national agreement on increases for the sector. Performance of the Vice-Chancellor is monitored by objectives which are reviewed by the Remuneration Committee on a regular basis.

The Vice-Chancellor's basic salary is 6.72 times the median pay of staff (2022: 5.98), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor's total remuneration is 7.72 times the median total remuneration of staff (2022: 7.48), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

Notes to the Accounts

for the year ended 31 July 2023

7 Staff costs (continued)

Remuneration of higher paid staff, excluding employer's pension contributions and redundancy payments:

	2023	2022
	No.	No.
£105,000 to £109,999	1	1
£110,000 to £114,999	2	-
£125,000 to £129,999	-	1
£130,000 to £134,999	-	1
£140,000 to £144,999	1	-
£145,000 to £149,999	1	-
£200,000 to £204,999	-	1
£285,000 to £289,999	1	-

Retirement benefits are accruing to 2 directors (2022: 2) under the Universities Superannuation Scheme (USS). No remuneration was paid to any of the University's Board members for their services as a Board member. A total of £7,212 was paid to or on behalf of 4 Board members for expenses in relation to travel for attendance at meetings (2022: £689 for 4 Board members)

	2023	2022	2023	2022
	Headcount	Headcount	FTE	FTE
	No.	No.	No.	No.
Average staff numbers by major category :				
Academic departments	351	349	303.7	301.9
Academic services	140	131	121.2	115.3
Administration and central services	116	107	108.2	102.2
Premises	18	19	17.3	17.3
	625	606	550.4	536.7

In addition to the above employee numbers, the University employed an average of 125 casual staff during the year (2022: 98).

Severance payments

During the year the University paid £75k in compensation for loss of office. This was paid to 8 employees. (2022: £63k to 7 employees).

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the Institution's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by Institution management in accordance with delegated authority.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Key management personnel at the University of Suffolk are members of the Executive Committee and remunerated members of the Board. Compensation consists of salary and any benefits if applicable, excluding any employer's pension contribution; the amount disclosed below is included within staff costs.

	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
Key management personnel compensation	965	867
	Year Ended	Year Ended
	31 July 2023	31 July 2022
	£'000	£'000
Access and Participation		
Access Investment	328	326
Disability Support (excluding expenditure included in the two categories above)	218	208
Research and Evaluation	326	331
	872	865

Notes to the Accounts

for the year ended 31 July 2023

8 Analysis of total expenditure

	Staff Costs	Deprec- iation	Other operating expenses	Interest and other finance costs	Year Ended 31 July 2023	Year Ended 31 July 2022
a) Activity	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments	16,012	296	77,868	-	94,176	87,956
Academic services	6,596	-	4,021	-	10,617	7,259
Admin. and central services	6,326	1,840	5,256	-	13,422	9,787
Premises	714	4,058	5,774	952	11,498	8,584
USS provision	(4,822)	-	-	789	(4,033)	15,925
Other	93	-	2,723	-	2,816	2,409
Year ended 31 July 2023	24,919	6,194	95,642	1,741	128,496	131,920
Year ended 31 July 2022	42,871	6,105	81,772	1,172	131,920	

Other operating expenses include:	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
External Auditors Fees		
External auditors remuneration in respect of audit services	58	53
External auditors remuneration in respect of non-audit services	-	-
Operating lease rentals		
Other	49	49

b) Access and Participation

Access Investment (i)	6,238	6,405
Financial Support	2,251	1,789
Disability Support (i)	529	472
Research and Evaluation (i)	326	336
	9,344	9,002

(i) £872k of these costs are already included in the overall staff costs figures included in the financial statements, see note 7.

The access and participation plans can be found on the University website at the following address:

<https://www.uos.ac.uk/content/widening-participation>

Notes to the Accounts for the year ended 31 July 2023

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
9 Interest and other finance costs		
Loan interest	952	992
Net charge on pension schemes	789	180
	<u>1,741</u>	<u>1,172</u>

	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage assets £'000	Total £'000
10 Fixed Assets					
Cost					
At 1 August 2022	88,028	22,943	295	239	111,505
Additions	446	499	1,306	-	2,251
Transfers	-	553	(553)	-	-
At 31 July 2023	<u>88,474</u>	<u>23,995</u>	<u>1,048</u>	<u>239</u>	<u>113,756</u>
Depreciation					
At 1 August 2022	20,154	14,599	-	-	34,753
Charge for the year	4,058	2,136	-	-	6,194
At 31 July 2023	<u>24,212</u>	<u>16,735</u>	<u>-</u>	<u>-</u>	<u>40,947</u>
Net book value					
At 31 July 2023	<u>64,262</u>	<u>7,260</u>	<u>1,048</u>	<u>239</u>	<u>72,809</u>
At 31 July 2022	67,874	8,344	295	239	76,752

At 31 July 2023, freehold land and buildings included £13.6m (2022 £13.6m) in respect of freehold land that is not depreciated.

The Hold

Included within freehold land and buildings is land upon which The Hold has been constructed. The land has been leased to Suffolk County Council for a period to 2117 at a peppercorn rental, in exchange for a sub-lease for the same period of part of the building back to the University, also at a peppercorn rental. There is a right to renew these leases at the end of the lease term.

Heritage assets

The heritage asset relates to an art installation commissioned and installed by the University in 2011/12. The total cost of £239k has been capitalised and funded by £90k of grant funding. The asset is not depreciated.

Notes to the Accounts

for the year ended 31 July 2023

11 Non current investments

a) Investment in associate

The University holds 49 £1 shares in Eastern HE Cost Sharing Limited ("EHCS"), a subsidiary of University of Essex. The University has a contract with EHCS to provide internal audit services and has been doing so with effect from the 2015/16 financial year.

Additionally, the University of Suffolk has set up a new subsidiary, UOS Dental Community Interest Company, which is 100% owned. This is dormant as at the 31 July 2023.

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
b) Other Investments		
At 1 August 2022	9,430	-
Additions	-	10,000
Fair value adjustments - unrealised losses	(56)	(564)
Fair value adjustments - Finance Costs	-	(6)
At 31 July 2023	<u>9,374</u>	<u>9,430</u>

Other investments consist of:

At fair value:

Market securities

9,374	9,430
-------	-------

At cost less impairment:

Market securities

-	-
<u>9,374</u>	<u>9,430</u>

12 Trade and other receivables

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Trade receivables	27,886	39,901
Prepayments and accrued income	5,984	3,965
Amounts due from related parties	-	11
	<u>33,870</u>	<u>43,877</u>

Amounts due from related parties are unsecured, interest free and are repayable on demand (see note 23 to the financial statements for further details).

13 Cash and cash equivalents

	At 1 August 2022 £'000	Cash Flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	43,897	18,193	<u>62,090</u>

14 Creditors : amounts falling due within one year

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Secured loans (note 15)	681	647
Trade payables	1,847	2,502
Capital creditors	340	426
Amounts due to related parties	7	-
Social security and other taxation payable	607	521
Accruals and deferred income	39,966	44,683
Other payables	554	550
Deferred capital grants	3,993	3,429
	<u>47,995</u>	<u>52,758</u>

Notes to the Accounts for the year ended 31 July 2023

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
15 Creditors : amounts falling due after more than one year		
Deferred Income	-	400
Deferred capital grant	37,622	39,264
Secured loans (see below)	14,745	15,426
	52,367	55,090
Analysis of secured and unsecured loans:		
Due within one year or on demand (Note 14)	681	647
Due between one and two years	720	681
Due between two and five years	2,407	2,283
Due in five years or more	11,618	12,462
Due after more than one year	14,745	15,426
Total secured loans	15,426	16,073
Secured loans repayable by 2038	15,426	16,073

Included in loans are the following:

Lender	Amount borrowed £'000	Term	Amount Outstanding £'000	Term Remaining	Interest rate %	Borrower
Barclays	12,500	30 years	9,100	15 years	5.99	University
Barclays	8,000	28 years	6,326	15 years	6.12	University
Total	20,500		15,426			

16 Provisions for liabilities

	Obligation to fund deficit on USS Pension £'000	Pension enhancement on termination £'000	Total Provisions £'000
At 1 August 2022	23,692	612	24,304
Utilised in year	-	-	-
Deductions in 2022/2023	(4,033)	-	(4,033)
At 31 July 2023	19,659	612	20,271

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 22. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. The 2023 deficit recovery liability reflects this plan.

Pension enhancement

The liability figures have been produced using the following assumptions:

	Year Ended 31 July 2023 %	Year Ended 31 July 2022 %
Discount rate	5.5	3.3
Inflation	3.0	3.0

Notes to the Accounts

for the year ended 31 July 2023

17 Restricted reserves

Reserves with restrictions are as follows:

	Year Ended 31 July 2023 Total £'000	Year Ended 31 July 2022 Total £'000
Balances at 1 August	152	126
Donations received	8	51
Investment income	-	-
Adjustment to move to unrestricted income	(54)	-
Expenditure	(43)	(25)
Total restricted comprehensive income / (expenditure) for the year	(89)	26
At 31 July	63	152
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Analysis of restricted funds/donations by type of purpose:		
Restricted donations	14	93
Legacies	49	59
	63	152

18 Reconciliation of net debt

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Net funds 1 August	27,824	22,060
Movement in cash and cash equivalents	18,193	5,159
Secured Loans repayments	647	605
Net funds 31 July	46,664	27,824
Change in net funds	18,840	5,764
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Analysis of net debt:		
Cash and cash equivalents	62,090	43,897
Borrowings: amounts falling due within one year		
Secured loans	681	647
	681	647
Borrowings: amounts falling due after more than one year		
Secured loans	14,745	15,426
Net funds	46,664	27,824

Notes to the Accounts

for the year ended 31 July 2023

19 Capital and reserves

The company has no share capital as it is limited by guarantee. All members of the company undertake to contribute such a sum as is required, not exceeding £1, to the assets of the company should it be wound up whilst they are a member or within one year after they cease to be a member.

20 Lease obligations

Total rentals payable under operating leases:

	Land & Buildings £'000	Computer Equipment £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Expensed in year	196	49	245	245
Future minimum lease payments due:				
Not later than 1 year	176	-	176	225
Later than 1 year and not later than 5 years	584	-	584	586
Later than 5 years	956	-	956	243
Total lease payments due	1,716	-	1,716	1,054

Total rentals receivable under operating leases:

	Land & Buildings £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Future minimum lease payments due:			
Not later than 1 year	13	13	43
Later than 1 year and not later than 5 years	5	5	29
Later than 5 years	13	13	14
Total lease payments due	31	31	86

The University holds certain building space that it has leased out to third parties to provide facilities to students and staff.

21 Amounts disbursed as agents

	Research Funding £'000	FE Initial Teacher Training Bursaries (ITT) £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Funding received	421	182	603	980
Brought forward from previous year	-	1	1	1
Amount disbursed	(421)	(182)	(603)	(980)
Excess of income over expenditure	-	1	1	1

Notes to the Accounts

for the year ended 31 July 2023

22 Pension Schemes

University of Suffolk employees belong to two principal pension schemes: the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS), which is administered by Suffolk County Council. Both are defined-benefit schemes.

	Year Ended 31 July 2023	Year Ended 31 July 2022
	£'000	£'000
Total employer pension contributions for the year		
USS contributions paid	4,114	3,650
Local Government Pension Scheme contributions paid	403	279
Local Government Pension Scheme Funding Strategy	-	125
	4,517	4,054

a) The Universities Superannuation Scheme

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

The total cost charged to the Statement of Comprehensive Income and Expenditure, for employer contributions, is £4,114k (2022: £3,650k). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. In addition to these costs, provision movements of £(4,033)k (2022: £15,925k) were also posted to the Statement of Comprehensive Income and Expenditure following the latest complete available actuarial valuation. The disclosures below represent the position from the scheme's financial statements.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2021 has not yet been completed but the latest information on its status can be found on a dedicated section of the USS website uss.co.uk/about-us/valuation-and-funding. This will continue to be updated as the valuation progresses.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

Notes to the Accounts

for the year ended 31 July 2023

22 Pension Schemes (continued)

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 Valuation
Mortality base tables	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males current aged 65 (years)	24.00	23.90
Females current aged 65 (years)	25.60	25.50
Males current aged 45 (years)	26.00	25.90
Females current aged 45 (years)	27.40	27.30
Discount rate	5.52%	3.33%
Pensionable salary growth	4.00%	3.00%

b) Local Government Pension Scheme (LGPS)

The LGPS is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. The latest available audited triennial actuarial valuation of the scheme was at 31 March 2022 and updated to 31 July 2023 by a qualified independent actuary.

Under the definitions set out in FRS 102, the LGPS is a multi-employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the company's share of its assets and liabilities as at 31 July 2023. The contribution payable by the employer was set at 19.5% of pensionable salaries from August 2007. This was increased with effect from April 2013 to 22.5%.

The pension scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisers.

The material assumptions used by the actuary for the purposes of FRS 102 at 31 July 2023 and 31 July 2022 were:

	2023	2022
	%	%
Pension Increase Rate (CPI)	3.0	2.7
Salary Increase Rate	4.0	3.4
Discount Rate	5.1	3.5

The assumed life expectations on retirement aged 65, based on standard mortality tables, are:

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	20.7	21.9
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	21.7	22.9
Females	25.8	26.1

Notes to the Accounts

for the year ended 31 July 2023

22 Pension Schemes (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions at 31 July 2023	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	2%	239
1 year increase in member life expectancy	4%	485
0.1% increase in the Salary Increase Rate	0%	53
0.1% increase in the Pension Increase Rate (CPI)	2%	189

The value of assets in the LGPS scheme and percentage of the total plan assets

	31 July 2023		31 July 2022	
	% of total	Fund value £'000	% of total	Fund value £'000
Equities*	66	10,641	66	10,446
Bonds	25	4,031	24	3,799
Properties	8	1,290	10	1,583
Cash	1	161	-	-
	100	16,123	100	15,828

* Equities also include other alternative investments including Money Market Funds, Absolute return, Infrastructure, Timber and illiquid debt investments.

	2023 £'000	2022 £'000
Analysis of the movement in the present value of scheme liabilities		
At the beginning of the year	14,015	20,958
Current service cost	326	613
Past service cost (including curtailments)	-	-
Interest cost	492	338
Contributions by scheme participants	74	75
Changes in demographic assumptions	(601)	(77)
Changes in financial assumptions	(3,267)	(7,636)
Other experience	1,398	36
Benefits paid	(311)	(292)
At the end of the year	12,126	14,015

	2023 £'000	2022 £'000
Analysis of the movement in the fair value of scheme assets		
At the beginning of the year	15,828	14,753
Interest income on plan assets	556	237
Contributions by scheme participants	74	75
Contributions by the employer	403	404
Benefits paid	(311)	(292)
Return on assets excluding amounts included in net interest	(427)	651
At the end of the year	16,123	15,828

Notes to the Accounts

for the year ended 31 July 2023

22 Pension Schemes (continued)

	2023 £'000	2022 £'000
Changes in the fair value of plan assets, defined benefit obligation and net liability is:		
Opening position	1,813	(6,205)
Current service cost	(326)	(613)
Interest income on plan assets	556	237
Interest cost on defined benefit obligation	(492)	(338)
Total defined benefit cost recognised in income (or expenditure)	(262)	(714)
Employer contributions	403	404
	1,954	(6,515)
Changes in demographic assumptions	601	77
Changes in financial assumptions	3,267	7,636
Other experience	(1,398)	(36)
Return on assets excluding amounts included in net interest	(427)	651
Actuarial assumptions not recognised in financial statements	(3,997)	-
Total remeasurements recognised in Other Comprehensive Income (OCI)	(1,954)	8,328
Fair value of plan assets	16,123	15,828
Present value of funded liabilities	(12,126)	(14,015)
Actuarial assumptions not recognised in the financial statements	(3,997)	-
Closing position	-	1,813

Defined benefit scheme assets do not include any of the University's own financial instruments or any property controlled by the University. The estimation of the employer contribution for the defined benefit scheme for the year to 31 July 2023 is £403k.

Notes to the Accounts

for the year ended 31 July 2023

23 Related parties

Due to the nature of the company's operations and the composition of the Board of Directors being from senior employees of various organisations and local authorities, it is inevitable that transactions will take place with organisations in which a Director may have an interest. All transactions involving organisations in which a Director may have an interest, including those identified below, are carried out at arms-length and in accordance with the company's usual procurement procedures. No balances with related parties are secured or provided for.

	Sales transactions £'000	Receivables balance outstanding £'000	Purchase transactions £'000	Payables balance outstanding £'000
Year ending 31 July 2023				
<u>Board members - in a position of influence in other organisations</u>				
Eastern HE Cost Sharing Group Ltd	-	-	34	7
Locus Management Solutions	1	-	1	-
Venture Simulations	-	-	3	-
	<u>1</u>	<u>-</u>	<u>38</u>	<u>7</u>
Year ending 31 July 2022				
<u>Board members - in a position of influence in other organisations</u>				
Eastern HE Cost Sharing Group Ltd	-	-	17	-
Suffolk County Council	381	11	123	-
Venture Simulations	-	-	4	-
	<u>381</u>	<u>11</u>	<u>144</u>	<u>-</u>

24 Accounting estimates and judgements

Universities Superannuation Scheme (USS)

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

In addition, because the USS scheme valuation indicated a deficit and a funding plan has been agreed, section 28 of FRS 102 also requires individual employers to recognise a liability for the contributions payable that arise from the agreement to fund the scheme (to the extent that they relate to the deficit) and the resulting expense in profit and loss. A deficit modeller was utilised to produce the provision estimate with a discount rate at the end of 31 July 2023 of 5.52%.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest published full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuations would impact on the carrying amount of the pension asset/liability.